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# NAVAL POSTGRADUATE SCHOOL

## Monterey, California



# THESIS

A HANDBOOK FOR AUTOMATIC  
DATA PROCESSING EQUIPMENT ACQUISITION

by

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and

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December 1981

Thesis Advisor:

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directives, organized according to threshold prices for the desired acquisition. The impact of the General Services Administration (GSA), its policies and procedures are clearly indicated to allow the user to disregard these portions in the event congressional deliberation determines that DOD is not subject to the provisions of PL 89-306, Brooks Bill. Appendices include sample documentation; addresses; and applicable supporting documents.



Approved for public release, distribution unlimited  
A Handbook for  
Automatic Data Processing Equipment Acquisition

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requirements for the degree of

MASTER OF SCIENCE IN INFORMATION SYSTEMS

from the

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December 1981

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## ABSTRACT

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Automatic Data Processing Equipment (ADPE) procurement by federal agencies is governed by an interlocking network of policies and directives issued by federal agencies, the Department of Defense (DOD), the Department of the Navy (DON), and local commands. This thesis is an attempt to collate all applicable directives concerning ADPE procurement and provide an easily read step by step guide. The handbook leads the reader through naval policies and directives, organized according to threshold prices for the desired acquisition. The impact of the General Services Administration (GSA), its policies and procedures are clearly indicated to allow the user to disregard these portions in the event congressional deliberation determines that DOD is not subject to the provisions of PL 89-306, Brooks Bill. Appendices include sample documentation; addresses; and applicable supporting documents.



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## I. INTRODUCTION

### A. GENERAL

Purchasing Automatic Data Processing Equipment (ADPE) is an involved process, governed by federal, defense and naval policies, instructions and directives. The requesting, or buying, activity must take cognizance of, and follow the directives implemented by higher authority. However, the process of identifying and following these directives is, in itself, a long and tedious process.

In October, 1965, President Johnson signed Public Law 89-306 (Brooks Bill), which amended Title I of the Federal Property and Administrative Services Act of 1949 by adding the Brooks Bill to it. The intention of Public Law 89-306 was to provide for the economic and efficient purchase, lease, maintenance, operation, and utilization of automatic data processing equipment by federal departments and agencies.

The Brooks Bill made the acquisition of ADPE and related supplies and services unlike any other acquisition because it was specific legislation which regulated all aspects of ADP acquisition. The Brooks Bill granted specific authority and responsibility to General Services Administration (GSA), Office of Management and Budget (OMB), and Department of Commerce (DOC). Although some changes in specific



responsibilities were affected by executive orders between 1965 and 1975, the Brooks Bill still has had far reaching affects in ADP procurements.

It is the objective of this thesis to assist the inexperienced or first-time program manager in the process of an ADP acquisition by providing a handbook to guide him through the thought process needed in the acquisition procedure. Views from various acquisition-involved commands were examined, consolidated, analyzed and presented. Through this process, it is hoped that the resulting handbook will satisfactorily lead ADP program managers through the acquisition procedure.

This handbook attempts to collate these instructions into an easily read format to provide a tool for understanding and simplifying the ADPE procurement process.

In utilizing this handbook, the drafters wish to emphasize that the procurement process is a continually changing environment. The instructions and policies quoted in this document are being revised and cancelled in response to the changing procurement requirements. It is suggested that prior to initiating a procurement process, the requesting activity first review for currency using this guide as a basis. Appendix B to the handbook gives addresses of key organizations that may be of some assistance.



Additionally, Appendix B provides phone numbers for DOD directive control to allow for verification of current instructions and the address of the Naval Publications and Forms Center for ordering purposes.

## B. SCOPE

The scope of this effort is limited to the central, but monumental, issues and problems inherent in the acquisition process. The policies, directives, and instructions which impact on an ADP acquisition will be assimilated into a manageable format.

This handbook is in response to a request made by Fleet Numerical Oceanography Center, Monterey, California for a collation of applicable instructions and directives relating to ADPE procurement in an easily understood format. The intent of this handbook is to provide a fast reference for ADPE procurement for all dollar ranges, and the impact of federal, DOD and naval directives with regards to the dollar threshold of the procurement. It is not the researchers intention for this handbook to be used alone, but rather as a guide to lead the ADP program manager to the pertinent documents, directives, circulars, etc.

It is assumed that the reader has had little or no successful experience in acquiring ADPE or that the passage of time since ADPE has been acquired has been significant.



## C. METHODOLOGY

Primary research material was collected from the myriad of literature involved in the acquisition process. Secondary research material was gathered through interviews the drafters conducted with Fleet Numerical Oceanography Center personnel, Professor Douglas Williams, of the W. R. Church Computer Center, Naval Postgraduate School, Monterey, California and Commander M. L. Sneiderman, SC, USN of the Naval Postgraduate School faculty. The researchers then attempted to collate all known directives regarding ADPE procurement. Discussions with Professor Williams provided valuable insight into the procurement process. Professor Williams also made available relevant documents concerning the recent ADPE procurement at the Naval Postgraduate School for study and, in some instances, inclusion into this handbook.

Discussion with Commander M. L. Sneiderman provided information and suggestions regarding the development and structure of the handbook.

The primary by-product will be an ADPE procurement handbook oriented towards a naval command and directed at the user encountering an ADPE procurement for the first time. It is intended that this handbook be utilized as either a training tool or procedures manual for program managers.





The completed handbook was distributed to numerous field commands and knowledgeable individuals involved with the procurement process with a request that it be reviewed and comments returned to the researchers. The comments and criticisms received in response to this request have been incorporated, where applicable, into the handbook. The handbook appears as Appendix A to this thesis.

#### D. DEFINITIONS

The terms used have the meanings set forth in this section.

##### MAJOR SYSTEM ACQUISITIONS.

Major ADP systems to be acquired in accordance with the provisions of OMB Circular A-109 and agency implementing directives.

##### SYSTEM.

A system is that combination of elements which function together to produce the capabilities required to fulfill a mission need.

##### ELEMENTS.

System elements include hardware, equipment, software, construction and real property improvements.

##### AUTOMATIC DATA PROCESSING EQUIPMENT.

Automatic Data Processing Equipment (ADPE) means general purpose, commercially available, mass produced, automatic data processing devices; i.e., components and the equipment



systems configured from them together with commercially available software packages that are provided and are not priced separately, and all documentation and manuals relating thereto, regardless of use, size, capacity, or price, that are designed to be applied to the solution or processing of a variety of problems or applications and are not specially designed, as opposed to configured, for any specific application. Included are:

- (1) Digital, analog, or hybrid computers.
- (2) Auxiliary or accessorial equipment such as plotters, tape cleaners, tape testers, data conversion equipment, source data automation recording equipment (optical character recognition devices, paper tape typewriters, magnetic tape, card, or cartridge typewriters, word processing equipment, computer input/output microfilm and other data acquisition devices), or computer performance evaluation equipment; etc., designed for use with digital, analog, or hybrid computer equipment, either cable connected, wire connected, or stand alone, and whether selected or acquired with a computer or separately.
- (3) Punched Card Accounting Machines (PCAM) that can be used in conjunction with or independently of digital, analog or hybrid computers.



- (4) Data transmission or communications equipment, including front-end processors, terminals, sensors, and other similar devices, designed primarily for use with a configuration of ADPE.



## II. BACKGROUND

Naval involvement with ADPE technology started with the development of the Mark I computer at Harvard in the mid 1940's and computer utilization by the Navy has continued to escalate.

Arthur Clark Argue [Ref. 1], in his thesis "Acquisition of Automatic Data Processing in the Navy" explores, in part, the relationship of the Navy, the computer and existing rules and regulations. He also discusses the effect of these rules and regulations upon the ADPE acquisition process.

The largest single impact on the acquisition process came in 1965, with the passage of PL 89-306, more popularly known as the "Brooks Bill", an act to provide for the economic and efficient purchase, lease, maintenance, operation and utilization of automatic data processing equipment by federal departments and agencies. Passage of this bill established the General Services Administration (GSA) as the central administrator for federally funded procurement.

Under the authority of this bill GSA instituted a set of guidelines applicable to all federal ADPE procurement. Included in those guidelines were price thresholds for sole-source, and competitive solicitations as well as regulations dealing with the procurement process.





The cost of the item and method of procurement (whether sole-source or competitive) determine the degree of active GSA involvement. Above certain thresholds, agencies must request authority from GSA to procure ADPE, which, by law GSA may delegate or retain for itself.

In the wake of GSA regulations, followed Department of Defense (DOD) directives, Secretary of the Navy Instructions (SECNAVINST) and local procedures governing the acquisition of ADPE. Obtaining and understanding this interlocking network of policies is often difficult.

The Brooks Bill and its legislative history leave little doubt that Congress intended to regulate general purpose, commercially available ADP hardware and maintenance services. When the Brooks Bill was drafted, off-the-shelf software was delivered as part of the hardware and was frequently viewed as synonymous with the hardware.

Even after the introduction of the Brooks Bill, there were still problems with major system acquisitions. According to the Commission on Government Procurement Report of December, 1972, some of the symptoms of those continuing problems were:

- Cost Overruns

- Contract Claims

- Contested Awards

- Buy Ins and Bail Outs



## Defective Systems

### Program "Clutter".

The intention of OMB Circular A-109 was to effect reforms that would reduce cost overruns and diminish the controversy over the necessity of new systems.

Appendix B, Volume 2 of the Report of the Commission on Government Procurement made twelve recommendations which would provide a major impact on acquisitions [Ref. 2]. Those recommendations were:

1. Begin with agency head statement of needs.
2. Mission oriented congressional budget review.
3. General support for mission-related R&D.
4. Create alternative system candidates.
5. Finance exploration of alternative systems.
6. Maintain competition among alternatives.
7. Limit premature system commitments.
8. Strengthen agency program management.
9. Require need reconfirmation and system test before production.
10. Improve contracting processes and procedures.
11. Unify policy and monitoring responsibilities for system acquisition.
12. Delegate technical and program decisions to operating agency.



The implementation of the commission's recommendations did not occur overnight, but rather spanned the years 1973-1978 [Ref. 2].

1973-74 Executive Branch review, support, partial adoption

1974 Budget Reform Act, Section 601, Mission Budgeting

1975 Congressional hearings and broad support

1976 OMB Circular A-109

1977 Beginning of A-109 implementations

1977-78 GAO, Congressional Reviews

ADP systems acquisitions have received pressures from several sources [Ref. 2] such as:

- Government Operations Commission in the form of Public Law 89-306
- GSA via automated data and telecommunications service
- President's reorganization project in the form of an ADP study
- General Accounting Office via GAO studies
- Office of Federal Procurement Policy via OMB Circular A-109

It is perhaps ironic, that the greatest single force in ADPE procurement, PL 89-306 is now being studied by Congress as to its ultimate applicability to DOD procurement. The final impact of the 32 initiatives of Frank Carlucci is still to be seen.



The current scene is in a state of continual change. Trying to keep abreast of the myriad of rules and regulations is a difficult task as new requirements are drafted and outdated regulations are cancelled. The policies and directives quoted in this handbook serve as a view of the procurement world at this given time.

The drafters of this handbook have attempted to explore the world of ADPE acquisition, collate the major instructions, and provide a foundation for understanding the procurement process as it exists today.





### III. ANALYSIS

Copies of this handbook were sent to various commands and offices with a request for comments and suggestions that could be incorporated in the guide.

The response to the guide was generally favorable in nature, in many instances providing new or revised material to the drafters for inclusion in the handbook. Many of those individuals who reviewed the handbook stated their intentions of utilizing the handbook both as a teaching tool and reference guide.

The responses indicated concern over the interweaving network of regulations often clouding the procurement process, and lack of a single document which would collate all the regulations.

The drafters believe that no one single document could embrace all the aspects regarding the acquisition process. The stated purpose of this guide is to provide a brief overview of the acquisition process. For more specific information, the reader is directed to consult with the applicable agencies involved. It is for this reason that only a brief description of evaluation methods is provided, not an in-depth discussion of each method or the selection of a particular method, which can be better accomplished via



discussion between the requesting authority and the appropriate procurement office.

In a similar manner, information regarding funding, contract specification, software services and maintenance is provided as background information to act as a foundation for future knowledge.

One suggestion regarding flow charts was appreciated, but, it is the researchers belief that flow charts can be inherently dangerous by tending to oversimplify the process. It is the recommendation of the drafters that each individual, either involved in a procurement process or attempting to understand the process construct his or her own version of a flow chart based on the information contained within the handbook.

Those criticisms and corrections which were directly applicable to the handbook have been incorporated and the guide revised. The contributions of the individuals who responded are thankfully acknowledged by the researchers.



#### IV. CONCLUSIONS

The majority of responses indicated the handbook was well received and would serve as a useful tool for both ADPE acquisition and as a training tool.

But, as stated in the introduction, the procurement process is in a constant state of flux. Future revisions and constant updating of this handbook is mandatory if it is to continue as a useful tool.

Recent developments that have taken place during the writing of this thesis, such as the congressional deliberation on the applicability of the Brooks Bill to the Department of Defense and the increase in threshold prices determining GSA involvement for procurement, have had substantial impact on the procurement process.

The final resolution of the effect of the Brooks Bill applicability upon DOD ADPE procurement has not yet been fully determined. The new worlds of micro and mini computers and associated network configurations have not yet been addressed.

The decrease in the price of hardware and rapidly escalating price for software development, almost a reversal of the ratio present at the initial implementation of the Brooks Bill, have yet to be considered.



Finally, the political climate will always influence the procurement policy of government facilities. The current administration has announced policies of cutting through red tape, loosening of governmental regulations and increasing the defense budget. During the next administration, these policies may well be reversed.

It is the belief of the researchers, however, that there will always remain a network of governmental regulation concerning the procurement process. This handbook attempts to simplify and explain this network at the present time.





APPENDIX A  
A PRACTICAL GUIDE TO THE PROCUREMENT  
OF AUTOMATIC DATA PROCESSING EQUIPMENT  
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## INTRODUCTION

The purpose of this handbook is to provide a guide for purchasing automatic data processing equipment (ADPE). It is specifically organized for utilization by commands under the authority of the Secretary of the Navy.

The biggest impact on ADPE purchase and utilization has been the passage and implementation of Public Law 89-306 (more popularly known as the "Brooks Bill"). This bill gave the General Services Administration (GSA):

"The administrator is authorized and directed to coordinate and provide for the economic and efficient purchase, lease and maintenance of automatic data processing equipment by federal agencies."

With this authority GSA mandated threshold levels, requiring either GSA procurement or the receipt of a Delegated Procurement Authority (DPA) by the agency desiring to acquire ADPE. See Appendix A.

GSA also has the authority to lease equipment to federal agencies, and require that federal agencies first consult the resources maintained by the GSA prior to submitting a procurement request. However, legislation revising the role of GSA in the procurement process is currently under consideration.

Within the Depart of the Navy SECNAVINST 5236.1B of 15 October 1980, "Contracting for Automatic Data Processing (ADP) resources", promulgates Navy policy applicable to naval procurement and the Navy's relationship to GSA.



The instruction defines five categories of ADP resources:

a. AUTOMATIC DATA PROCESSING EQUIPMENT

General purpose, commercially available, mass produced ADP components and the equipment systems created from them, regardless of use, size, capacity, or price, that are designed to be applied to the solution or processing of a variety of problems or applications and are not specially designed (rather than configured) for any specific applications. This definition includes:

1. Digital, analog, or hybrid computer equipment.
2. Auxiliary or accessorial equipment such as plotters, communication terminals, tape cleaners, tape testers, data conversion equipment, disk used in rotating storage devices, and source data automation recording equipment (optical character recognition devices, paper tape typewriters, and other data acquisition devices) to be used in support of digital, analog, or hybrid computer equipment.
3. Punched card accounting machines used in conjunction with or independently of digital, analog or hybrid computers.
4. Devices used for special purposes which are classified under Federal Supply Classification Group 70.



(This group contains printing controlled equipment dedicated to printing processes and utilizing computer technology, including electronic printing systems, and photo composition equipment.)

b. AUTOMATIC DATA PROCESSING EQUIPMENT MAINTENANCE SERVICES

Those examination, testing, repair or part replacement functions performed to:

1. Reduce the probability of ADPE malfunction (commonly referred to as "preventive maintenance").
2. Restore a component of ADPE which is not functioning properly in its normal operating status (commonly referred to as "remedial maintenance").
3. Modify the ADPE in a minor way (commonly referred to as "field engineering change" or "field modification").

c. AUTOMATIC DATA PROCESSING RELATED SERVICES

All services involved in the development, implementation, operation, and management of ADP systems including:

1. Systems analysis and design
2. Programming
3. Data conversion (e.g., keypunch, data entry)
4. Service bureau support
5. Teleprocessing
6. Computer facilities management





7. Systems operations

8. Conversion

d. COMMERCIAL SOFTWARE PACKAGES

Commercially available proprietary computer programs and routines used to extend the capabilities of ADPE. This category of software includes those software packages available in the commercial market through lease, license or purchase. Software packages provided by original equipment manufacturers which are separately priced from ADPE are included in this category.

e. AUTOMATIC DATA PROCESSING EQUIPMENT SUPPLIES

Consumable items designed specifically for use with ADPE such as computer tapes, ribbons, punch cards, and tabulating paper.

It is policy for the requesting component to request a Delegation of Procurement Authority (DPA) from GSA instead of GSA retaining this authority.

Under the approval levels promulgated by SECNAVINST 5230.6, the approval authority responsibilities are as follows:

1. Specify any constraints on contracting actions in the approval document.
2. Either exercise or further delegate the Source Selection Authority (SSA) for contractual actions. The SSA will establish and appoint membership for



appropriate councils which will provide management oversight for the acquisition. When the Assistant Secretary of the Navy for Financial Management retains the SSA, he will appoint a Source Selection Advisory Council to:

- a) Approve the solicitation document/selection plan,
- b) Provide solutions to major acquisition problems,
- c) Recommend the source selection based on the information provided by the contracting office of the SSA. Selection procedures and documentation for actions below this level should be commensurate with the dollar value of the contracting action.

3. Determine applicability of this instruction to specific actions.

4. Submit APRS in accordance with FPR 1-4.11.

This instruction also assigns specific responsibilities to the Automatic Data Processing Selection Office (ADPSO) under the command and with the concurrence of the CNO and Commander, Naval Data Automation Command (COMNAVDAC) as follows:

1. To contract the Navy and Marine Corps actions approved by the ASSTSECNAV FM unless otherwise assigned.
2. To perform contract administration of Navy contracts which are organizationally or contractually complex.



For all other contracts which it awards, ADPSO may assign those contract administration functions delineated in Defense Acquisition Regulations (DAR) 1-406, or may transfer principal contracting officer responsibility for the contract to the requiring activity. In either case the requiring activity must have commensurate contracting authority and expertise and concur with the assignment or transfer. For all contracts which it awards for the Commandant of the Marine Corps (CMC), ADPSO will transfer responsibility for contract administration to the CMC.

3. To guide and assist in DON use of GSA ADP fund. The ADPSO will forward requests for use of the GSA ADP fund to the ASSTSECNAV FM via the Naval Data Automation Command for certification and submittal to GSA.

4. To provide contracting management and technical review necessary to meet ADPSO contracting management and technical review necessary to meet ADPSO contracting requirements.

The CMC, Chief of Naval Material, under the command of CNO, and the Chief of Naval Research are delegated the responsibility to contract for ADP resources below approval level 1. Exceptions may be made by mutual consent of ADPSO and involved commands.



Each command requesting a procurement is responsible to provide technical support.

Legislation currently being considered for repeal of GSA requirements as applied to DOD procurements may become solid reality or may be re-instated by Congress at their discretion. To provide for possible future needs, GSA regulations have been included in this handbook.

If the provisions of PL 89-306 are not in effect, those references may be disregarded. (In particular, this decision will affect the APR and DPA portions of the acquisition cycle.) To provide for easy reference these paragraphs will be bracketed with a double asterisk (\*\*). This symbol bracketing the page number indicates the entire page may be disregarded in the event that GSA guidelines have been suspended by legislative action.

The many rules and regulations governing ADPE are in a constant state of change. To insure instructions cited are still current, check with DOD directive control. New instructions can be ordered from Naval Publications and Forms Center. See Appendix B for addresses and phone numbers.





## LEASE, RENT OR BUY

DOD Directive 4105.55 "Selection and Acquisition of ADP Resources" of 19 May 1972 outlines policies as follows:

The method of acquisition selected for ADPE or computer programs (purchases, installment purchase, or lease, including third-party leasing and lease with option to buy) will be that which offers the greatest advantage to the government under the circumstances pertaining to each situation. A comparative cost estimation will be made of alternative acquisition methods. Subsequent reviews will be conducted on an annual basis for leased equipment to insure that opportunities for cost savings through purchases are not overlooked. In the event ADPE purchase offers the greatest advantage to the government, but procurement funds are not available, application will be made to GSA for purchase through the use of the ADP revolving fund.

To determine which method of acquisition is most cost efficient requires a cost-benefit analysis. A fast 'rule of thumb' is as follows:

If system life is less than four years, rent.

If system life is less than eight years and greater than four years, lease.

If system life is greater than eight years, buy.

NOTE: years refer to system life.



The major difference between the methods concerns the funding. To lease or rent ADPE requires the use of O&MN (operational and maintenance funds), while purchasing uses OPN (other procurement Navy). See How to Acquire, Contract Considerations.

Naval approval policies are calculated as follows:

Approval thresholds are in terms of purchase cost or equivalent purchase cost if leased, for the original quantity and all options.

\*\*GSA thresholds are determined using the purchase price, whether the items are purchased, leased, or rented to indicate if a DPA is necessary.

If the ADPE order was placed against a GSA non-mandatory schedule contract, conversion from lease to purchase of installed ADPE are subject to the following requirements:

1. Synopsis in the Commerce Business Daily at least 15 calendar days prior to procurement if the net value (purchase price after the application of any lease credits or discounts) is in excess of \$50,000.
2. A DPA must be obtained when the net purchase order price is more than \$300,000 and a supplier other than the schedule contractor has identical, specific make and model, suitable substitute equipment available.

When orders are for or include the continued lease or rental of an installed central processing unit, continued



rental or lease agreements of GSA non-mandatory schedules have the following requirements:

1. Synopsis in the commerce business daily at least 15 calendar days prior to procurement if value is in excess of \$50,000.
2. A DPA must be obtained if the scheduled purchase price exceeds \$300,000 and the results of the commerce business daily synopsis indicates the equipment is available from other sources.

See GSA implications, for procedures on buying ADPE, thresholds limits and further impacts.\*\*



## USING THIS HANDBOOK

Following the chart on page 34:

1. Find the applicable topic for the procurement
2. Under the topic, select the threshold price to determine the approval level.

Using the chart on page 36:

1. Select the topic desired, specific information pertaining to that award level will be indicated by page location.





# NAVY ADP APPROVAL AUTHORITY

TYPE OF APPROVAL	APPROVAL LEVEL			
	1	2	3	4
GENERAL PURPOSE ADPE (SOLE SOURCE)				
EXCEEDS \$1M	X			
UP TO \$1M		X		
UP TO \$300K*			X	
UP TO \$50K				X
*500K FOR EXCLUSIVELY SCIENTIFIC ACTIONS				
GENERAL PURPOSE ADPE (COMPETITIVE)				
EXCEEDS \$3M	X			
UP TO \$3M		X		
UP TO \$1M			X	
UP TO \$300K				X
ADPE REUTILIZATION				
LEASED ADPE	SAME AS SOLE-SOURCE ADPE			
OWNED ADPE	SAME AS COMPETITIVE ADPE			
ADP SERVICES AND SOFTWARE (INITIAL CONTRACT PLUS OPTIONS)				
EXCEEDS \$5M	X			
UP TO \$5M		X		
UP TO \$1M			X	
UP TO \$500K				X
AUTOMATED INFORMATION SYSTEMS DEVELOPMENT				
EXCEEDS \$25M	X			
UP TO \$25M		X		
UP TO \$5M			X	
UP TO \$500K				X



## APPROVAL AUTHORITIES

### A. LEVEL 1

Assistant Secretary of the Navy for Financial Management

### B. LEVEL 2

Chief of Naval Operations (see "E" below)

Commandant of the Marine Corps

Director, DON ADP Management (see "E" below)

### C. LEVEL 3

Deputy Comtroller of the Navy

Chief of Naval Research

Chief of Naval Material

Commander in Chief, U.S. Atlantic Fleet

Commander in Chief, U.S. Pacific Fleet

Commander in Chief, U.S. Naval Forces, Europe

Commander, Naval Data Automation Command

Chief of Naval Education and Training

Commander in Chief, Atlantic

Commander in Chief, Pacific

Commander, Naval Military Personnel Command

### D. LEVEL 4

Chief, Bureau of Medicine and Surgery

Commander, Military Sealift Command

Oceanographer of the Navy

Commander, Naval Telecommunications Command

Chief of Naval Reserve

Commander, Naval Intelligence Command

Commander, Naval Security Group Command

### E. COMNAVDAC DELEGATED APPROVAL AUTHORITY

(1) COMNAVDAC will exercise CNO/DIRDONADPM Level 2 approval authority for actions not related to Naval Data Automation Command requirements.

(2) CNO (OP-942) will exercise Level 2 authority for actions internal to COMNAVDAC.

SOURCE: SECNAVINST 5230.6, 2 November 1979



	Level 1	Level 2	Level 3	Level 4
OMB Circular A-109				
ADPE Procurement	37	37	37	37
ADPE-DEFN	49	49	49	49
Naval Policy	54	52	52	52
Reutilization/ Sharing	56	56	56	56
Thresholds- GSA Implications	61	61	61	59
Letters of Intent	65	65	65	65
RFP	66	66	66	66
Specifications	68	68	68	68
Evaluations	72	72	72	72
Contract Considerations	77	77	77	77
Maintenance	82	82	82	82
Software	84	84	84	84



## OMB CIRCULAR A-109 AND ADP PROCUREMENT

OMB circular A-109 covers every aspect of a major system acquisition whether it is a one-of-a-kind system for an agency or the development of demonstration hardware for private sector use vice agency use. It addresses:

1. Analysis of agency missions;
2. Determination of mission needs;
3. Setting of program objectives;
4. Determination of system requirements;
5. System program planning;
6. Budgeting;
7. Funding;
8. Research;
9. Engineering;
10. Development;
11. Testing and evaluation;
12. Contracting;
13. Production;
14. Program and management control;
15. Introduction of the system into use.

The purpose of OMB circular A-109 is to reduce cost overruns, diminish the controversy as to whether or not new systems are needed, specify certain key decisions, and outline a logical sequence of activities in acquiring a new major system.





The acquisition of ADP systems is to be conducted in accordance with established procedures which involve coordination and approval by the General Services Administration (GSA) and OMB. These procedures provide for GSA to act as the executive agent in the acquisition or to delegate the acquisition to the using executive branch agency. The requirements of OMB circular A-109 are consistent and compatible with these established procedures and apply only to those ADP acquisitions which are designated by the agencies as major systems. Although OMB circular A-109 specifies it is to be used in major system acquisition, the procedure outlined is useful in guiding minor system acquisitions.

The steps, which include various activities and key decision points, in the basic procedure are:

- STEP I        - A) Evaluate mission needs  
                      B) Prepare the Mission Elements Needs  
                              Statement (MENS)
- STEP II       - A) Submit MENS for approval
- STEP III      - A) Designate and Charter A Program Manager  
                      B) Develop acquisition strategy  
                      C) Explore alternatives
- STEP IV       - A) Select alternative(s) for test and  
                              demonstration
- STEP V        - A) Conduct competitive demonstrations



- STEP VI - A) Commit to full scale development
- STEP VII - A) Develop, test, and evaluate
- STEP VIII - A) Commit to production/large scale buy
- STEP IX - A) Implement

## STEP I

Step I consists of:

- A) Evaluating mission needs in terms of:
  - Goals, objectives, and legislated purpose;
  - Technological opportunities;
  - Current capabilities and deficiencies;
  - Probable costs and budgetary outlook.
- B) Preparing a Mission Elements Needs Statement (MENS), which documents the need, not the solution, in terms of :
  - Organizational responsibilities;
  - Time, fiscal, and operating constraints;
  - Values, benefits, and relative priorities.

## MISSION ELEMENT NEEDS STATEMENT (MENS)

OMB circular A-109 requires a continuing analysis of current and forecasted mission capabilities, technological opportunities, overall priorities, and resources that are involved. When this analysis identifies a deficiency in existing agency capabilities or an opportunity to establish



new capabilities in response to a technologically feasible opportunity, this will be formally set forth in a MENS.

This statement includes the mission purpose, capability, agency components involved, time constraints, value or worth of meeting the need, relative priority, and operating constraints, and is not to be expressed in terms of equipment or other means which might satisfy the need.

## STEP II

Step II consists of submitting the MENS for approval. This action is key decision point #1. Once approved, the agency can move forward with the confidence of having a need recognized. The need is then normally communicated to Congress in accordance with OMB circular A-10.

## STEP III

Step III consists of:

### a. DESIGNATING AND CHARTERING A PROGRAM MANAGER

As soon as possible after the mission need decision to explore alternative system design concepts, a program manager should be designated for each major system acquisition program. This would be synonymous with a project leader in a minor system acquisition program.

Program objectives which set forth the capability, cost, and schedule goals sought in the system are required to be



incorporated in a written charter which defines the authority, responsibility, and accountability of the program manager. An initial responsibility of the program manager should be to recruit a staff or identify a team to manage the assigned system.

#### b. DEVELOPING AN ACQUISITION STRATEGY

One of the program manager's first tasks will be to develop an acquisition strategy to achieve his program objectives in an economical, effective, and efficient manner.

The acquisition strategy should form the basis for the program manager's system acquisition plan. This should then be used to communicate with higher authority, his management team, and interface with government organizations, and industry. The plan should also provide the means to measure accomplishments and consider contingencies as the program progresses. It is not desirable to address all considerations in detail. It is desirable to examine and schedule throughout the acquisition process and to refine the strategy and planning as the program proceeds.

The plan should encompass the entire system acquisition process with emphasis on the near term time phased actions. As the program proceeds and periodic reviews are made, the next increment of near term considerations should be emphasized.





The acquisition strategy reflects the management concepts that shall be used in directing and controlling all elements of the acquisition in response to specific goals and objectives of the program and in ensuring that the system being acquired satisfies the approved mission need. It encompasses the entire acquisition process:

1. Development of technological options;
2. Test and evaluation plans;
3. Scheduling of essential acquisition process elements;
4. Competition considerations and strategies;
5. Contracting options;
6. Logistic support options;
7. Manning and training strategies.

At the inception of the program, the acquisition strategy is very broad with many option paths available. The acquisition strategy is a dynamic management tool which must be kept current throughout program life through an iterative process which becomes increasingly definitive in describing the interrelationships of the management, technical, business, resource, force structure, support, testing, and other aspects of the program. Once the acquisition strategy is approved by the Chief of Naval Material, it is submitted to the Navy Acquisition Executive. The strategy could typically include:



1. Use of the contracting process as an important tool in the acquisition program.
2. Scheduling of essential elements of the acquisition process.
3. Demonstration, test and evaluation criteria.
4. Content of solicitations for proposals.
5. Decisions on whom to solicit.
6. Methods for obtaining and sustaining competition.
7. Guidelines for the evaluation and acceptance or rejection of proposals.
8. Goals for design-to-cost.
9. Methods for projecting life cycle costs.
10. Use of data rights.
11. Use of warranties.
12. Methods for analyzing and evaluating contractor and government risks.
13. Need for developing contractor incentives.
14. Selection of the type of contract best suited for each stage in the acquisition process.
15. Administration of contracts.

The acquisition strategy plan should provide a means to measure accomplishments and consider alternatives as the program progresses.



Initial plan considerations are not addressed in detail. Each consideration is examined to determine a timetable for decisions regarding that consideration. Refinements are made as the program proceeds.

The acquisition strategy plan encompasses the entire acquisition process emphasizing near-term actions. As the program proceeds, periodic revisions are made and the next increment of near-term actions are emphasized.

#### C. EXPLORING ALTERNATIVES

Although approval of the MENS actually starts the major system acquisition process by granting authority to explore alternative system design concepts, this initial approval and the establishment of a system acquisition program does not automatically mean that a new major system will eventually be acquired. The agency will continue to analyze other optional means of satisfying the need in parallel with the exploration of alternative systems.

The analysis of alternatives should include such approaches as the modification or augmentation of existing equipment and contracting out for the needed capability, as well as acquiring new capability to be operated by the agency or a contractor.

The solicitation must be in terms of the mission need to assure contractors the freedom to propose their own



technical approach, main design features, subsystems, and alternatives to schedule, cost and capability goals. The purpose of this type of soliciation is to gain the benefits of industry innovation and competition and not be constrained by preordained or prematurely selected equipment approaches.

Proposals should be evaluated and the most promising system design concepts selected, based on a review by a team of experts, for further exploration. The review should consider:

1. Capability of the proposed system to meet the mission need and program objectives, including resources required;
2. Benefits to be derived by feasible trade-offs among performance, costs, and time to develop and procure; and
3. Relevant accomplishment record of the competitors and the competence of their key personnel.

#### STEP IV

Step IV consists of selecting alternatives for test and demonstration. The alternative system design concepts selected for consideration for competitive demonstration will be submitted to the agency head for approval, along with other alternatives which were identified and evaluated.





This is in the second key decision and includes a reaffirmation of the mission need and program objectives.

#### STEP V

Step V consists of conducting competitive demonstrations. Competitive demonstrations provide a basis for selection of the system design concept(s) to be continued into full-scale development by verifying that the chosen concepts are sound and perform in an operational environment.

The winning concept(s) and contractor(s) of the demonstration evaluation may then move into full-scale development and initial production.

The competitive demonstration contracts should provide for contractors to develop and submit proposals for full-scale development and initial production by the conclusion of the demonstration. The contractors should be furnished operational test conditions, mission performance criteria, and life cycle cost factors that will be used by the agency in evaluation and selection for full-scale development.

#### STEP VI

Step VI consists of making a commitment for full scale development. Once demonstration has verified that the chosen system design concept(s) is sound, competition between similar or differing system design concepts may be extended throughout the entire acquisition process whenever



it is economically beneficial to do so. When the mission need and program objectives are reaffirmed, the agency head may authorize full-scale development and initial production. This is the third key decision.

If the selection of a system design concept involves the procurement of off-the-shelf equipment, the second and third key agency head decisions may be combined as one decision.

With respect to an agency's interface with GSA in this process, the agency is responsible for that portion of the process which precedes the determination by GSA of executive agency responsibility. GSA may retain this authority or delegate it back to the agency, thus making the agency responsible for that portion of the process for which it is the executive agent. The resolution of responsibilities between an agency and GSA should be made at the outset of the acquisition process.

#### STEP VII

Step VII consists of developing, testing and evaluating the selection and is discussed further in the section on evaluation.

#### STEP VIII

Step VIII consists of making a commitment to production/ large scale buy. Following satisfactory test results and



reconfirmation of mission need and program objectives, the agency head may authorize full production. This is the fourth key decision. Approval for production would not apply except in the unusual case of a multiple quantity procurement of a newly developed ADP system.

#### STEP IX

Step IX consists of implementing the system.



## WHAT QUALIFIES AS ADPE?

Department of Defense Directive 4105.55, "Selection and Acquisition of Automatic Data Processing Resources", 19 May 1972 establishes policies and guidance for the selection and acquisition of automatic data processing equipment.

Enclosure 2 to this directive defines ADPE as follows:

Automatic Data Processing Equipment (ADPE) - general purpose, commercially available automatic data processing components and the equipment systems created from them, regardless of use, size, capacity, or price, which are designed to be applied to the solution or processing of a variety of problems or applications and which are not specifically designed, as opposed to configured, for any specific application.

1. This definition includes:

- a. Digital, analog, or hybrid computer equipment;
- b. Auxiliary or accessorial equipment such as data communications terminals, tape cleaners, tape testers, source data automation recording equipment (e.g., optical character recognition equipment, paper tape typewriters, magnetic tape cartridge typewriters, and data acquisition devices), data output equipment (e.g., digital plotters, computer output microfilmers), etc., to be used in substantial support of digital, analog, or hybrid computer





equipment, either cable-connected, wire-connected, or self-standing and whether selected or acquired with a computer, or separately; and

c. Electrical Accounting Machines (EAM) used in conjunction with or independently of digital, analog, or hybrid computers.

2. This definition excludes, except for reporting and, as may be directed by the Secretary of Defense, computer equipment which is integral to a combat weapons system when:

a. It is physically incorporated into the weapon; or

b. It is integral to the weapons system from a design and procurement and operations viewpoint, or

c. Separate selection, acquisition, and/or management of the computer equipment be infeasible.

For the purpose of this directive, being integral to a combat weapons system means dedicated to the essential in real time to the performance of the mission of the weapons system in combat, e.g., automatic combat command, control and communications processing for specific combat weapons. Computer equipment used for logistic or administrative support of a weapons system, or which can be selected and acquired from commercial product lines independent of other



components of the weapons system, is not covered by this exclusion. For purposes of this definition, a combat system is an instrument of combat either offensive or defensive, used to destroy, injure, or threaten the enemy. It consists of the total entity that is an instrument of combat, which may incorporate in itself a complex assembly of functional parts, e.g., F-105 aircraft, FBM submarine, M-60 tank, Hawk missile.

The purpose of the exclusions is to maintain in the program office the full responsibility for the RDT&E of the combat weapons system in which computers are subordinate elements.

The directive stipulates that 4 objectives must be met for procurement:

1. A valid need exists;
2. Use of ADP resources is essential to or most cost effective means for the performance of functions;
3. Designed to achieve highest practical degree of effectiveness and operational economy;
4. Lowest overall cost alternative for satisfying requirements is determined prior to selection and acquisition of ADP resources.



## NAVY POLICIES

As stated in the introduction, the passage of PL 89-306 had a far reaching effect on federal government procurement policies. SECNAVINST 5230.6 "Automatic Data Procurement Approval Authority and Acquisition/Development Thresholds; Delegation of" of 2 Nov 1979 attempted to reconcile GSA and Navy procurement relationships.

The instruction assigns organizational responsibilities to three entities:

1. Commander Naval Data Automation Command (COMNAVDAC) to provide staff support to CNO for ADPE matters and also stipulates that actions requiring approval by ASSTSECNAV FM will be submitted via COMNAVDAC.
2. Commanders as specified in approval level listing.
3. The Director, Automatic Data Processing Selection Office (ADPSO) to coordinate procurements.

Actions requiring formal approval are:

1. Proposal for a new or revised automated information system (AIS).
2. Initial acquisition of ADP equipment (ADPE), services or software.
3. Extending or expanding the scope of an existing contract.
4. Reutilization of government-owned or leased ADPE.



5. Contractor acquisition of ADPE in support of cost reimbursable contracts when required by the Defense Acquisition Regulation.

6. Exercising options for increased quantities in existing contracts for ADPE and services.

7. Use of General Services Administration (GSA) ADP schedule contracts.

The instruction exempts from approval:

1. Exercising previously approved options to renew an existing contract at the same level of effort.

2. Any ADP action where the aggregate total cost for purchase, rental, and services for any fiscal year during the expected system life does not exceed \$10,000 (i.e., procure as local small purchase items).

3. Contracts for ADPE maintenance or training which will be processed in accordance with SECNAVINST 5236.2A of 7 July 1980.

Other actions which must precede the procurement process are as follows:

1. Commands will submit ADP actions for ASSTSECNAV FM or COMNAVDAC approval to the cognizant Department of the Navy (DON)/CNO/CMC sponsor of their responsible official to obtain a functional sponsor requirements validation and certification of intent to program funds. This





should be prior to, simultaneously with, submission of an ADP resource acquisition proposal or the AIS project management plan to COMNAVDAC for technical, economic, and operational feasibility analysis. COMNAVDAC shall not approve any requests until receipt of the preceding certification.

2. Actions above approval Level 3 and over \$1,000,000 must be certified at the Deputy CNO or equivalent level. If a functional sponsor cannot be identified at that level, the requirements validation and certification of intent to provide funds may be provided by the cognizant major claimant.

3. Annual options for ADP services contracts originally approved at Levels 1 or 2 may be exercised by lower echelon commands/activities, provided the total value of each option year does not exceed the original estimated contractual value for that option year by more than 25 percent.

4. Prior to submitting an action for approval, the appropriate requirements of federal ADP sharing and software exchange, reutilization, privacy, standards, and commercial/industrial activities program will be satisfied.



\*\* For those procurement actions which exceed the GSA mandated thresholds, a Delegation of Procurement Authority (DPA) must be requested from GSA.\*\*



## REUTILIZATION AND/OR SHARING

With the passage of PL 89-306, GSA was authorized to coordinate the usage of ADPE by the federal government. Federal Property Management Regulations (FPMR) Part 101-32.3 provides policy for reutilization of automatic data processing equipment. Reutilization is defined as the subsequent use of ADPE after such ADPE is no longer required for the purpose for which it has been acquired.

The FPMR provides for the establishment of an ADPE availability list to be published approximately every two weeks to inform federal agencies of available excess and exchange/sale ADPE. Requests for additions, changes, and deletions to the mailing list or requests for the availability list shall be made to:

General Services Administration (CDP)

Washington, D.C. 20405

Within the Department of Defense, DOD Directive 4160.19 of 5 April 1973 "DOD ADPE Reutilization Program" states that excess government-owned and leased ADPE will be one of the primary sources to satisfy ADPE requirements in preference to new procurement, and made available for utilization by other federal agencies and donation through GSA.

Acquisition of excess government-owned ADPE is not a procurement action and therefore is not subject to laws and regulations governing new procurement.



Acquisition of excess leased ADPE is in the nature of a procurement and is subject to the laws and regulations governing new procurement.

'Who owns the title?' will determine if the acquisition is a procurement action.

Allocation of the reutilized ADPE will be based on military urgency and greatest cost savings.

If reutilization is selected, the organization receives the ADPE. All conversion costs, site preparation, maintenance, and transportation costs are the responsibility of the receiving organization.

Sharing is another option to be examined prior to new procurement. SECNAVINST 10462.16A of 5 December 1969 "Government-wide Automatic Data Processing Sharing Program" established naval policies and procedures.

The sharing program is administrated by the Office of Automated Data Management Services, Federal Supply Service, GSA. A complex of ADP sharing exchanges provide maximum assistance to federal agencies within conus and are operated by regional interagency ADP coordinates in the GSA regions. See Appendix K for addresses.

Regional coordinates will furnish listings of ADPE available for sharing. Those organizations requesting ADPE shall screen the listing and directly negotiate for assistance. Requests may be made by mail, telephone, or personal





contact. GSA Form 2068 "Request for ADP Services" should be used for mail requests. See Appendix I for example.

Exemptions are granted as follows:

1. To avoid compromise of national security or defense, or to ensure economy and efficiency must be approved through appropriate channels, via the Assistant Secretary of Defense (comptroller).

2. The following actions are exempted via SECNAVINST 10462.16A:

- a. Analog computers

- b. ADPE usable only for the specific mission for which it was designed or modified.

- c. ADPE integral to a weapons or space system.

If the design is such that the computer cannot be operated as free standing, it will be considered as integral to the weapons system.



#### GSA IMPLICATION - LEVEL 4

Approval Level 4 thresholds are below GSA thresholds for sole-source and competitive ADP equipment. Approval Level 4 is also below threshold levels set for reutilization.

Procurements against GSA schedule contracts requiring no prior GSA approval are set as follows:

1. Competitive solicitation contracts less than or equal to \$300,000. This is equivalent to a \$7,500 monthly rental;
2. Non-competitive solicitation contracts less than or equal to \$50,000. This is equivalent to a \$1,500 monthly rental. (Note - this threshold holds for both orders placed against a GSA scheduled contract and a procurement made by normal solicitation schedules.

A lease is calculated to total system cost and the above thresholds apply.

An Approval Purchase Request (APR) must be sent to request a delegation of procurement authority if:

1. The total cost of the system exceeds the Maximum Order Level (MOL) of the naval station purchasing the ADPE. .

If the solicitation is less than or equal to \$35,000, and the MOL is not below this ceiling, the contracting officer may issue an order for lease or purchase.



If the solicitation is greater than \$35,000, the contracting officer must place a notice in the Commerce Business Daily. (Note: The FPR of 1/15/81 has made usage of the GSA centralized Bidder's Mailing List optional for competitive ADPE procurements.

The threshold levels are exceeded by the limits set on approval Level 4 for the ADP services contracts and computer software and for automated information systems development (see requirements on the GSA implications for Level 3 or higher).

Legislation to raise the current ceiling for simplified sole-source procedures from \$10,000 to \$25,000, is being considered.



## GSA IMPLICATION - LEVELS 1-2-3

As stated in the introduction, the passage of PL 89-306 gave the GSA the power to produce all ADPE for the federal government. GSA can delegate procurement authority, but GSA does not remove itself from the procurement process.

If the procurement is to be made by normal solicitation, (not against a GSA schedule contract), GSA thresholds requiring no prior GSA approval are as follows:

1. Competitive solicitation contracts less than or equal to \$500,000. This is equivalent to a \$12,500 monthly rental.
2. Non-competitive solicitation contracts less than or equal to \$50,000. This is equivalent to a \$1,500 monthly rental.

If the ADPE exceeds the thresholds imposed by GSA, a delegation of procurement authority (DPA) must be requested from GSA prior to beginning the procurement process. GSA is not required to give a DPA to the requesting agency and GSA may elect to do the procurement.

According to SECNAVINST 5230.6,

The requesting authority will prepare an agency procurement request (APR) and, when required, the one-page summary for GSA to furnish to the house government operations committee. The APR will be transmitted directly to GSA by the appropriate approving authority with a copy to COMNAVDAC.





The requesting authority is to notify COMNAVDAC of any significant problems encountered in GSA processing of the APR.

The APR is the agency's request to GSA for procurement authority. It should contain the functional specifications and must contain any unique specifications that will impact on the procurement process. The APR is to be forwarded to:

General Services Administration (CPS)

Washington, D.C. 20405

Federal Procurement Regulation (FPR) 1-4.1105 specifies the items to be included:

1. Name and telephone number of the individual within the agency who shall act as point of contact with GSA,
2. Copies of the proposed solocitation document, if available, or specifications of the ADPE configuration,
3. Estimated dollar value,
4. Estimated system or item life,
5. Location,
6. Fiscal quarter when solicitation is expected to be released,
7. Unique requirements,
8. Statement to ensure alternative proposals were examined and the proposal being submitted is lowest overall cost,



9. Site modification needed (if any),
10. Compliance with any applicable federal directive,
  - a. Need to acquire (FPMR 101-352)
  - b. Need to acquire federal resource ADPE sharing (FPMR 101-36.2 and 101-36.3.)(Note: b. utilizes GSA Form 2068)
11. Justification, if applicable to support a contemplated sole-source procurement,
12. The ADP and telecommunications checklist must be forwarded,
13. Statement of compliance with the Privacy Act of 1974,
14. Brief description of the primary agency program(s) to be supported,
15. Computer security requirements, where applicable,
16. Software conversion study, when applicable,
17. Findings to support the use of compatibility limited requirements, where applicable.

When the DPA is granted, the agency then has the authority to proceed with the procurement process. Check the terms of the DPA to insure all ambiguities are resolved before proceedings.

For further information see:



- Appendix D: DPA Form
- Appendix G: FPMR 1-4.11
- Appendix H: ADP and telecommunications checklist
- Appendix I: GSA Form 2068 (used to certify conditions  
if federal sharing resources were  
investigated)



## LETTER OF INTENT

In the competitive procurements, the Letter of Intent is sent to approved contractors on the GSA standard bidder's mailing list.

This letter announces the start of a procurement process. It provides a macro-view of system, with enough information to allow a contractor to decide whether the specifications and design criteria are achievable.

Having received a Letter of Intent, the contractor submits a written request for an RFP to be sent and the solicitation phase begins. The FPR of 1/15/81 has made usage of the GSA centralized Bidder's Mailing List optional for competitive ADPE procurements.





## THE RFP

The Request for Proposal (RFP) is the solicitation document that outlines responsibilities, specifications and information relative to the procurement.

Once released, any changes must be issued in the form of amendments to the original document. All contractors who received an RFP must receive an amendment.

The general format of the RFP is as follows:

### Part I THE SCHEDULE

- A. Solicitation form
- B. Supplies, services and prices
- C. Description/specifications
- D. Packaging and marking
- E. Inspection and acceptance
- F. Deliveries or performance
- G. Contract administration data
- H. Special provisions

### Part II GENERAL PROVISIONS

- I. General provisions

### Part III LIST OF DOCUMENTS, EXHIBITS, AND OTHER ATTACHMENTS

- J. List of documents, exhibits and other attachments

### Part IV SOLICITATION INSTRUCTIONS

- K. Representations, certifications, and other statements of offeror



L. Instructions and conditions, notices to offerors

M. Evaluation factors for awards

The best way to write a Request for Proposal (RFP) is probably to borrow a copy from someone who has recently procured a system equivalent to your project. ADPSO should also be contacted for guidance regarding the RFP.

The many parts of the RFP are governed by rules and regulations which are met by the utilization of standard formats. This is most evident in Sections A, I, K and L. GSA provides standard printed clauses for any hardware acquisitions.

Additional help and guidance may be obtained from ADPSO. See Appendix B for address and Appendix F for sample outline of an RFP.

Appendix F contains:

1. Section A - cover sheet Form 1707 - Information To Offerors or Quoters;
2. Section A - Form 33 - Solicitation, Offer and Award;
3. Sample RFP from the procurement of a large \$6.5 million ADPE system.



## STATEMENT OF WORK/SPECIFICATIONS

The specifications developed by the requesting organizations are the guidelines to be followed by the manufacturer. The contractor will submit a proposal and cost estimate in response to the specifications outlines in the RFP. These specifications are the user's objectives and requirements for the proposed system.

Specifications developed by the requester must be specific, precise and leave no "open to interpretation" questions concerning the proposed system. In the event a question is raised concerning the intent or requesting a more detailed explanation of the RFP, it is imperative that all contractors who have received a copy of the RFP be informed, in writing, of any questions and/or explanations furnished.

The specifications must clearly distinguished between mandatory and desirable requirements. A requirement is mandatory if it is essential to meeting the government's needs in fulfilling the specifications. If the contractor's proposal does not or cannot meet the mandatory requirements, then the offer is considered to be technically unacceptable and is not considered during the succeeding phases of the procurement process. In some instances, the contractor's proposal could be "susceptible to being made acceptable", in which case the deficiencies are identified and revised proposals are solicited.



Requirements which are desirable are "nice-to-have", enhancement features which are established in the specifications, but are not mandatory for a valid offer. When describing a desirable feature, a dollar figure estimating its worth must be established and documented. This assigned dollar figure will be utilized during the proposal evaluation phase as a (+) or (-) cost when determining the overall cost of the system. A higher priced contract containing several of the desirable features should have its cost "reduced" while a lower priced offer that did not contain those features should have its cost "increased". The dollar value worth of desirable items must be clearly identified.

Specifications will be developed independently of a specific vendor's products. Avoid using brand names, or design specifications which in effect mandate a particular brand. (This concept refers to specifying a unique manufacturer hardware/software mechanism that could unfairly influence the selection.) Specifications which use either of the above conditions are moving into the "sole-source" selection criteria and away from competitive selection.

ADPSO Notice 4235, of 15 June 1981, "Contracting for ADPE" which contains as enclosure 1 - ADPE requisitions guide, lists three specification methods which can be utilized:





1. Functional specifications - delineation of automatic data processing system mandatory requirements in terms of the objectives that the system is intended to accomplish and the data processing capability needed. All objectives and processing requirements are precisely expressed in functional and operational terms which describe the total system workload.

2. Equipments specifications - description of minimum system requirements in terms of mandatory configuration design specific items of equipment and software, and their operating characteristics.

3. System specifications - delineation of system requirements in terms of functional and equipment characteristics necessary in order to provide a measure of the operating time required to process the workload involved.

Of the three methods, the functional description is preferred, but has a major disadvantage in trying to design an evaluation method to determine if the specification has been met. Equipment specifications are easier to evaluate, but care must be exercised to ensure a competitive contract. System specifications are best suited for developmental systems where workload analysis or functional approximation is more complex.



A benchmark test is the preferred method for evaluating a specification. Consisting of a program or series of programs, the benchmark is used to provide timing, capacity and technical information regarding the proposed system and system response to the specification. A benchmark may be artificial (written specifically for the demonstration) or live (programs currently in use by the organization). A live benchmark test is preferred as a standard.

An operational capability demonstration may be utilized in those instances where it is not feasible to perform a benchmark. The demonstration must prove that all desired functions can be implemented and will operate as an integral whole.

SECNAVINST 5263.1A of 30 April 1974, "Specification, Selection, and Acquisition of Automatic Data Processing Equipment" contains the Navy policy for specifications.



## EVALUATION

The proposal selected will be the one offering a completely acceptable technical proposal and the lowest cost proposal for the system life within the available funds.

System life refers to the requesting activity's forecasted need, not actual life, and the time period is measured from installation to termination of the ADPE.

Cost proposal must consider all costs associated with the installation and operation, including:

1. Purchase price or lease payments
2. Maintenance
3. Site preparation, (system life power and cooling)
4. Software, and software conversion
5. Manuals and technical publications
6. Training
7. Removal of ADPE
8. Residual value

The procurement office is responsible to consider all legally acceptable plans and determine the lowest cost discounting to present value.

There are many different evaluative factors which can be utilized to determine the best proposal which meets the specifications at the lowest overall cost to the governments. At the heart of the proposal is the concept that the



evaluation technique utilized provided a fair and impartial view of all proposals screened and that the most qualified proposal was selected.

The evaluation technique should be described in the RFP to ensure that no surprises surface later on in the evaluation phase. It is suggested that close liaison with the procurement office that is conducting the procurement be maintained in the interest of developing and ensuring the factors satisfy the needs of all concerned parties.

Two types of evaluations occur.

1. Technical evaluation - the technical validation of offerors will be in accordance with an approved selection plan which describes in appropriate detail the methods, procedures, and evaluation factors used to select a contractor. Technical validation procedures (e.g., benchmark) should be consistent with technical risk and the cost of validation of the DON and industry. During this phase, system cost is considered implicitly rather than explicitly.
2. The second evaluation utilizes the results of the technical evaluation and considers the system cost explicitly to determine the proposal selected for the final award.





It is the second evaluation that is crucial to awarding the contract, and should concern both the requesting and procuring authorities. Depending upon the system, its technical complexity, purpose and size, the ratio of technical evaluation to system cost will vary. The ratio and its corresponding percentage weights will have an impact on the final selection.

If a 50% weight is attributed to the results of the technical evaluation and 50% is attributed to system cost, the possibility that a technically less desirable system could be selected is a very real possibility. For a highly complex, technically-oriented system a different ratio would be more realistic. In this instance a 75% weight for technical evaluation and a 25% weight for system cost may be considered.

The final ratio should be determined by mutual agreement between the requesting organization and the procurement office.

Point methods are used in scoring different aspects of the technical proposal. (Only those proposals which have been deemed as responsive are considered.)

For example: A maximum of 100 points may be awarded,

MAX 30 for hardware

MAX 40 for software



MAX 20 for vendor support

MAX 10 for conversion costs.

Each large category may be further broken down, each having a 100 point maximum.

Vendor Support:

MAX 10 for documentation

MAX 35 for training

MAX 50 for maintenance

MAX 05 for installation

In effect, a tree structure is created to present a wide coverage of factors for consideration during the evaluation phase.

These "points" may be awarded as unique points to each proposal considered, or may be weighted by the introduction of a ratio factor.

Cost evaluation is done by considering all possible costs over the entire system life, discounting those costs to their present value. This technique is commonly referred to as "net present value" and takes into consideration the time value worth of money (that \$100 now is worth more than \$100 a year from now with an interest rate of X%.)

The evaluation phase is the most crucial phase of the procurement process. The requesting command should give



careful consideration to the selection and implementation of evaluation techniques to ensure the most effective and cost efficient system is obtained.



## CONTRACT CONSIDERATIONS

This is a broad topic which can cover an immense amount of information. Three areas are presented within the discussion:

1. How to acquire
  - a. Purchase
  - b. Lease
  - c. Rent
2. Method of procurement
  - a. Formal advertising
  - b. Negotiated
3. Types of contracts
  - a. Firm fixed price (FFP)
  - b. Cost type - cost plus fixed fee

These three topics are discussed briefly.

### HOW TO ACQUIRE

Funding considerations, from "which pot" the funds have been appropriated, is the first major impact.

O&MN (Operational and Maintenance) funds are used when leasing or renting ADPE. OPN (other procurement Navy) monies are used when purchasing ADPE, and, once appropriated the funds must be utilized in the manner described. (If you wish to use appropriated O&MN funds to purchase ADPE, they must be "re-appropriated" as OPN funds before you can





purchase the equipment. Prior approval of the comptroller of Navy and/or higher authority is required for specific or cumulative changes of \$5 million or more. The Director, OPNAV Fiscal Management may approve adjustments (cumulative) of less than \$5 million.

A cost benefit analysis of the proposed system will indicate which of the three alternatives is the most effective.

A fast rule of thumb, generally, is as follows:

If system life is less than four years, rent.

If system life is less than eight years and greater than four years, lease.

If system life is greater than eight years, buy.

Note, the above is only a general approximation and may easily differ according to lease/rental charges, application, or discounts.

#### METHODS OF PROCUREMENT

Federal statute requires that the Department of Defense shall use formal advertising procedures in purchasing all its supplies and services estimated to exceed \$10,000. (There is currently legislation in process to raise this ceiling to \$25,000.)

In this method bids are solicited from interested contractors. The sealed bids are then publicly opened and recorded at a pre-specified time and place. The contract is



awarded to the lowest responsive and responsible bid.

(Responsive refers to the contract conforming to specifications, while responsible refers to the ability of the contractor to perform the contract.) There are four conditions to be met:

1. More than one source is available;
2. Sufficient time is available for preparation;
3. Contract type is firm fixed price or fixed price with economic price adjustment provisions;
4. The award can be made to the lowest responsive, responsible bidder.

The law provides seventeen exceptions to the case of formal advertising. The negotiation method is used for those cases involving one of these exceptions. The majority of naval ADPE acquisitions fall under the exceptions of the statute.

Negotiation is more flexible and less rigid than formal advertising and can be utilized with a wider variety of contract types. A more important consideration, is that further discussions concerning the proposal and contractor responses can be discussed. Information which should not be released to offerors include:

1. Other competitors;
2. Prices offered by other competition.



After the completion of the negotiations, the award is made on the basis of the best buy for the government.

(Note: the best buy may not be the lowest offer.)

### CONTRACT TYPES

SECNAVINST 5236.2B states:

The contract type(s) should be selected to obtain the optimum balance of the following:

1. Minimized total system life cost
2. Minimized DON risk, liability, and obligation under contract
3. Maximized flexibility to meet changing DON requirements.
4. Maximized ability to take advantage of advances in ADP technology.

Contract types can be of two general formats: firm fixed price and a cost type of contract.

As the uncertainties of the contract performance increase, the tendency is to move away from the firm fixed price contract to a cost concept.

The Firm Fixed Price (FFP) contract is the preferred form for government procurement whenever possible. Under the terms of this contract, a specific price is agreed to be paid upon delivery of items specified in the contract. There is no price adjustment made for cost over or under runs. Two conditions must exist for this contract:



1. A reasonable definition of specifications must be possible; and
2. It must be possible to determine a fair and reasonable price.

The cost type of contract is chosen when the cost of the contract cannot be adequately measured. A "best effort" is agreed upon rather than specific payment and items.

The most common method is a "cost plus fixed fee". In this contract, the fixed fee will be paid to the contractor in addition to the costs incurred. This contract type assures the contractor that a profit can be made.

The concept of utilizing FFP places the maximum financial risk on the contractor and maximizes the incentives for cost control. As the contract moves towards the cost type, the contractor is compensated for the greater degree of uncertainty in the contract performance.

The contracting officer serves as the business agent of the government, but is not a technical expert. The selection of a contract type, while the responsibility of the contracting officer, is based on the advice and recommendations of the requesting organization.





## MAINTENANCE

The area of ADPE maintenance is not as structured as other ADPE resource acquisitions. DOD Directive 4105.55 defines the following guidelines for maintenance services.

The feasibility and economics of obtaining ADPE maintenance services from any of the various sources will be considered. A maintenance exhibit which specifies the economic data necessary to select from alternative maintenance options will be included in each solicitation document for ADP resources. Some of the factors which should be considered in determining the source of maintenance support are:

- a. Operational character of the system
- b. Size and location of the computer installation(s)
- c. Impact of split maintenance responsibility
- d. Relative quality of contractual and in-house maintenance support
- e. Experience requirements and training for maintenance personnel
- f. Cost factors, including amortization of training costs.

The methods of maintaining government-owned ADPE will be periodically reevaluated in a similar manner, preferably annually, in order to reconsider the feasibility of obtaining maintenance support from alternative sources.



SECNAVINST 5236.2A of 7 July 1980 specifically exempts from any Navy approval authority (as cited in SECNAVINST 5230.6):

Contract services for ADPE maintenance or ADP training services. Contracting for ADPE maintenance or ADP training services should be performed at the lowest practical levels, subject only to necessary management control, and in the case of ADP maintenance, GSA regulations.

\*\*GSA thresholds for maintenance contracts are as follows:

1. Contracts less than or equal to \$10,000 (either competitive or non-competitive - the contracting officer may issue a lease/delivery order against the item.
2. Contracts less than or equal to \$50,000 annually (non-competitive) - Navy may issue non-competitive solicitation.

Contracts less than or equal to \$100,000 annually (competitive) - Navy may issue competitive solicitation.

For contracts above these thresholds, the Navy must request a DPA from GSA prior to beginning the procurement process. (See section entitled GSA implications Page 59 for further information regarding DPA requesting process.)\*\*



## SOFTWARE

### SOFTWARE ACQUISITION

Software acquisition, like maintenance, lacks the clearly defined structure of hardware procurement. SECNAVINST 5230.6 sets the approval threshold policies for initial acquisition of software, and does not differentiate between hardware and software.

\*\*The major impact on software procurement is GSA involvement.

The requesting organization must first ensure that the software is not available through the Federal Software Exchange Catalog (FSEC). If the software is not available, then GSA Form 2068 must contain a certification statement (see example, Appendix I) prior to beginning procurement activity.

For 1-4.1109 mandates that when acquiring commercially available software, the following considerations for procurement requests should prevail:

1. Avoidance of restrictive clauses;
2. Incorporation of a clause which will permit other government agencies to obtain the software under the contract being negotiated;
3. Insurance that the vendor is contractually obligated to support and maintain the software in subsequent years.



FPR 1-1104.2 deals specifically with software. Procurement may be done without requesting a DPA from GSA under the following considerations:

1. Procurement is to be made by placing a purchase/delivery order against an applicable GSA requirements type contract;
2. The procurement is to be made by placing a purchase/delivery order under the terms and conditions of an applicable GSA schedule contract;
3. The procurement is to be made by normal solicitation, and  
the total value, excluding maintenance is
  - a. Less than or equal to \$100,000 for competitive,
  - b. Less than or equal to \$50,000 for non-competitive;
4. The software is provided with, and not separately priced from, the ADPE.\*\*

Small purchase threshold of \$10,000 is still in effect, but current legislation is being considered to raise this ceiling to \$25,000.

\*\*The Navy is required to submit abstracts of software procured for sharing purposes to the National Technical Information Service.\*\*





## SOFTWARE CONVERSION

\*\*The FPR is the major impact on conversion cost and their applicability to ADPE procurement. Subsection 1-4.1109-13 deals with software conversion studies requiring that studies are performed to ensure user's needs are met at the lowest overall cost, price, and other factors considered, including the cost and other factors associated with conversion activities. A study is not required for initial acquisition where no software currently exists; procurement for computer peripherals only; or exercise of purchase options under a leasing agreement.

Studies must be based on government estimated. A comprehensive software conversion study must be made for each augmentation or replacement ADPE acquisition when either one of the two following conditions exists:

1. Estimated purchase price of the ADP equipment system is expected to exceed \$2,500,000, excluding the maintenance and support costs;
2. The cost of conversion is to be used as the primary justification for a non-competitive (sole-source) requirement when the estimated value of the procurement exceeds \$300,000.

This study may be made by the agency or the GSA Federal Conversion Support Center (FCSC) may be requested to perform the study.\*\*



## APPENDICES

APPENDIX A	PL 89-306 "BROOKS BILL"
APPENDIX B	ADDRESSES FOR INFORMATION
APPENDIX C	PROCUREMENT OFFICES - DELEGATED FOR ADPE
APPENDIX D	DPA FORM
APPENDIX E	CHECK OFF FOR PROCUREMENT SECNAVINST 5236.1A
APPENDIX F	SAMPLE REQUEST FOR PROPOSAL (SOLICITATION DOCUMENT)
APPENDIX G	FPR 1-4.11
APPENDIX H	ADP AND TELECOMMUNICATIONS CHECKLIST
APPENDIX I	GSA FORM 2068
APPENDIX J	ADPSO CHECKLIST
APPENDIX K	ADDRESSES OF GSA REGIONAL INTERAGENCY ADP COORDINATORS AND ADP SHARING EXCHANGES



## APPENDIX A



PL 89-306 "BROOKS BILL"  
Public Law 89-306  
89th Congress, H. R. 4845  
October 30, 1965

### An Act

79 STAT. 1127

To provide for the economic and efficient purchase, lease, maintenance, operation, and utilization of automatic data processing equipment by Federal departments and agencies.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That title I of the Federal Property and Administrative Services Act of 1949 (63 Stat. 377), as amended, is hereby amended by adding a new section to read as follows:

#### "AUTOMATIC DATA PROCESSING EQUIPMENT

Automatic data processing equipment. Purchase and utilization. 5 USC 630-630g-1.

"Sec. 111. (a) The Administrator is authorized and directed to coordinate and provide for the economic and efficient purchase, lease, and maintenance of automatic data processing equipment by Federal agencies.

"(b)(1) Automatic data processing equipment suitable for efficient and effective use by Federal agencies shall be provided by the Administrator through purchase, lease, transfer of equipment from other Federal agencies, or otherwise, and the Administrator is authorized and directed to provide by contract or otherwise for the maintenance and repair of such equipment. In carrying out his responsibilities under this section the Administrator is authorized to transfer automatic data processing equipment between Federal agencies, to provide for joint utilization of such equipment by two or more Federal agencies, and to establish and operate equipment pools and data processing centers for the use of two or more such agencies when necessary for its most efficient and effective utilization.

"(2) The Administrator may delegate to one or more Federal agencies authority to operate automatic data processing equipment pools and automatic data processing centers, and to lease, purchase, or maintain individual automatic data processing systems or specific units of equipment, including such equipment used in automatic data processing pools and automatic data processing centers, when such action is determined by the Administrator to be necessary for the economy and efficiency of operations, or when such action is essential to national defense or national security. The Administrator may delegate to one or more Federal agencies authority to lease, purchase, or maintain automatic data processing equipment to the extent to which he determines such action to be necessary and desirable to allow for the orderly implementation of a program for the utilization of such equipment.

"(c) There is hereby authorized to be established on the books of the Treasury an automatic data processing fund, which shall be available without fiscal year limitation for expenses, including personal services, other costs, and the procurement by lease, purchase, transfer, or otherwise of equipment, maintenance, and repair of such equipment by contract or otherwise, necessary for the efficient coordination, operation, utilization of such equipment by and for Federal agencies: *Provided*, That a report of equipment inventory, utilization, and acquisitions, together with an account of receipts, disbursements, and transfers to miscellaneous receipts, under this authoriza-

ADP fund, establishment.

Equipment acquisitions and utilization.



Report to  
Budget Bureau  
and Congress.

tion shall be made annually in connection with the budget estimates to the Director of the Bureau of the Budget and to the Congress, and the inclusion in appropriation acts of provisions regulating the operation of the automatic data processing fund, or limiting the expenditures therefrom, is hereby authorized.

Appropriation.

"(d) There are authorized to be appropriated to said fund such sums as may be required which, together with the value, as determined by the Administrator, of supplies and equipment from time to time transferred to the Administrator, shall constitute the capital of the fund: *Provided*, That said fund shall be credited with (1) advances and reimbursements from available appropriations and funds of any agency (including the General Services Administration), organization, or contractor utilizing such equipment and services rendered them, at rates determined by the Administrator to approximate the costs thereof met by the fund (including depreciation of equipment, provision for accrued leave, and for amortization of installation costs, but excluding, in the determination of rates prior to the fiscal year 1967, such direct operating expenses as may be directly appropriated for, which expenses may be charged to the fund and covered by advances or reimbursements from such direct appropriations) and (2) refunds or recoveries resulting from operations of the fund, including the net proceeds of disposal of excess or surplus personal property and receipts from carriers and others for loss of or damage to property: *Provided further*, That following the close of each fiscal year any net income, after making provisions for prior year losses, if any, shall be transferred to the Treasury of the United States as miscellaneous receipts.

63 Stat. 384.  
40 USC 481, 474.

"(e) The proviso following paragraph (4) in section 301(a) of this Act and the provisions of section 602(d) of this Act shall have no application in the administration of this section. No other provision of this Act or any other Act which is inconsistent with the provisions of this section shall be applicable in the administration of this section.

Scientific and  
technological  
advisory serv-  
ices by Secre-  
tary of Commerce.

"(f) The Secretary of Commerce is authorized (1) to provide agencies, and the Administrator of General Services in the exercise of the authority delegated in this section, with scientific and technological advisory services relating to automatic data processing and related systems, and (2) to make appropriate recommendations to the President relating to the establishment of uniform Federal automatic data processing standards. The Secretary of Commerce is authorized to undertake the necessary research in the sciences and technologies of automatic data processing computer and related systems, as may be required under provisions of this subsection.

"(g) The authority conferred upon the Administrator and the Secretary of Commerce by this section shall be exercised subject to direction by the President and to fiscal and policy control exercised by the Bureau of the Budget. Authority so conferred upon the Administrator shall not be so construed as to impair or interfere with the determination by agencies of their individual automatic data processing equipment requirements, including the development of specifications for and the selection of the types and configurations of equipment needed. The Administrator shall not interfere with, or attempt to control in any way, the use made of automatic data processing equipment or components thereof by any agency. The Administra-





October 30, 1965

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Pub. Law 89-306

79 STAT. 1120

tor shall provide adequate notice to all agencies and other users concerned with respect to each proposed determination specifically affecting them or the automatic data processing equipment or components used by them. In the absence of mutual agreement between the Administrator and the agency or user concerned, such proposed determinations shall be subject to review and decision by the Bureau of the Budget unless the President otherwise directs." Notice to agencies.

Approved October 30, 1965.



## APPENDIX B

### I. AUTOMATIC DATA PROCESSING SELECTION OFFICE - ADPSO

Department Of The Navy  
Navy Automatic Data Process Selection Office  
Washington, D.C. 20376  
Autovon

### II. NAVAL DATA AUTOMATION COMMAND - NAVDAC

Commander  
Naval Data Automation Command  
Washington Navy Yard  
Washington, D.C. 20376

### III. AUTOMATED DATA AND TELECOMMUNICATIONS SERVICE

Automated Data and Telecommunications Service  
General Services Administration  
Washington, D.C. 20405

### IV. GSA SUPPLY CATALOG, FILL OUT GSA FORM 457. MAIL TO:

Generalized Mailing List Services  
Building 41  
Denver Federal Center  
Denver, CO 80225

### V. INFORMATION REGARDING CURRENT INSTRUCTIONS/DIRECTIVES

DOD Directive Control (Navy)  
Autovon 225-4108 (Live)  
225-4106 (Recording)

### VI. ORDERING DIRECTIVES

Naval Publications and Forms Center  
5801 Tabor Avenue  
Philadelphia, PA 19120  
Autovon 442-3321



APPENDIX C  
PROCUREMENT OFFICES

The following offices may procure ADPE:

1. GSA
2. Navy

If GSA grants a DPA to the Navy, one of the following offices will conduct the procurement:

APDSO - will procure or further delegate the procurement of all ADPE approved at Levels 1 or 2 or by Commander, NAVDAC.

Naval Regional Contracting Office  
Long Beach, CA 90822

Naval Supply Center  
Oakland, CA 94625

Naval Supply Center  
San Diego, CA 92152

Naval Regional Contracting Office  
Washington Navy Yard  
Washington, D.C. 20374

Naval Supply Center  
Naval Regional Procurement Department  
Pearl Harbor, HI 20374

Naval Regional Contracting Office  
U. S. Naval Base  
Philadelphia, PA 19112

Naval Regional Contracting Office  
Philadelphia, Newport Division  
Naval Base  
Newport, RI 02840

Naval Supply Center  
Charleston, SC 29408

Naval Supply Center  
Norfolk, VA 23512



Naval Supply Center  
Puget Sound  
Bremerton, WA 98314







General  
Services  
Administration

Automated Data and  
Telecommunications  
Service

Washington, DC 20405

NAME

TITLE

Revised 4/12/79

AGENCY

ADDRESS

DEAR \_\_\_\_\_:

Based on the justification appearing in your letter(s) of \_\_\_\_\_, we are granting you a Delegation of Procurement Authority (DPA) in respect to the (competitive) (sole make and model)(sole source) acquisition of \_\_\_\_\_

\_\_\_\_\_ for use at \_\_\_\_\_.

This DPA is subject to those limitations set forth in Enclosure 1 as are validated by initials. Failure to operate within the established limitations renders this DPA voidable. In particular, your attention is invited to paragraph 10 of the referenced limitations which pertains to statutory socio-economic procurement programs.

The acquisition action authorized by this DPA must be consummated within \_\_\_\_\_ months of the date of this letter.



Any future reference to this DPA for ADP services should  
cite case-number CDS- - .

Questions about this procurement or requests for assistance  
may be addressed to Mr. \_\_\_\_\_ of our staff  
at (202) 566-1566.

Sincerely,

FRANK J. CARR  
Commissioner

GEROGE W. DODSON, JR.  
Assistant Commissioner for  
Agency Services and Procurement

DONALD J. PAGE  
Director  
Agency Services Division

COMPUTER EQUIPMENT ANALYST	INTERIM LOG	MONETARY CONTROL
CDSDE _____ I. S. BAYOL	CDSDD _____ W. S. BOWMAN	CDP _____ D. A. CRONE
CDSD _____ G. W. PARKS	CDS _____ D. J. PAGE	CD _____ G. W. DODSON, JR.
CA _____ W. E. BURTON	Brooks Synopsis Sent _____	

Monetary: \$

JUSTIFICATION:

NOTE: IT HAS BEEN DETERMINED THAT GSA DOES NOT HAVE ADEQUATE  
RESOURCES TO MAKE THIS PROCUREMENT.



LIMITATIONS FOR DELEGATION OF ADPE PROCUREMENT AUTHORITY

AGENCY: \_\_\_\_\_ CASE NUMBER CDS- \_\_\_\_\_

1. You shall follow the policies contained in Federal Property Management Regulation (FPMR) 101-35.201 through 101-35.710. This FPMR pertains to the Management, Acquisition, and Utilization of ADPE.

2. You shall follow the provisions of Federal Procurement Regulation (FPR) 1-4.11. This FPR pertains to Procurement and Contracting for Government-wide Automated Data Processing Equipment, Software, Maintenance Services, and Supplies. If initialed, the modifications to FPR 1-4.11 set forth below apply.

a. In addition to the GSA Centralized Bidders Mailing List (BML) obtained in accordance with the provisions of FPR 1-4.1107-3(b), and/or FPR 1-4.1107-3(d), as applicable, you shall synopsize your requirement in the Commerce Business Daily in accordance with FPR 1-4.1107-6(b)(5).

b. Because of the urgency of your requirements, you are relieved of the requirements set forth in FPR 1-4.1107-3(b) and/or FPR 1-4.1107-3(d), as applicable. Instead, you shall make informal (telephonic or telegraphic) solicitation relative to this proposed procurement to the original equipment manufacturer to all known active bidders, and to those companies set forth on the attached informal BML. Maintenance \_\_\_\_\_ Hardware \_\_\_\_\_

3. You shall follow the provisions of such other procurement regulations as may apply.

4. You shall follow the provisions of such Federal Property Management Regulations (FPMR) as may apply. Of particular importance are the FPMR's set forth below.

a. FPMR 101-35.17. This pertains to Privacy and Data Security for ADP and Telecommunications Systems. Particular attention should be paid to the requirements for contractor compliance;

b. FPMR 101-36.2. This FPMR pertains to the Automatic Data Processing Resources Utilization Program;

c. FPMR 101-36.3. This FPMR pertains to the Reutilization of Automatic Data Processing Equipment and Supplies Program;

d. FPMR 101-36.4. This FPMR pertains to ADP Management Responsibilities Related to Procurement;

(Revised 4/12/79)



e. FPMR 101-36.13. This FPMR implements Federal Information Processing Standards Publications (FIPS PUBS) and Federal Telecommunication Standards (FED-STDs) into solicitation documents. The FPMR provides solicitation terminology that must be cited for each FIPS or FED-STD that is applicable to your requirements.

The enclosed checklist, "Compliance with Federal Information Processing Standards (FIPS) and Federal Telecommunication Standards (FED-STD)" is provided to facilitate the identification of approved standards and solicitation document terminology. Each standard in the checklist must be checked as being applicable, not applicable, or applicable and waived, as appropriate. (Waiver procedures are contained in each FIPS or FED-STD). Upon completion, the checklist shall be included in Section F of the solicitation document resulting from this delegation.

FPMR 101-36.13 (FIPS/FED-STD) was approved by the Administrator on July 18, 1978, and published in the Federal Register, Vol. 43 No. 150 dated August 3, 1978 (copy enclosed).

       f. FPMR 101-37.2. This FPMR pertains to major changes to and/or new installations of telecommunications services.

       5. You shall follow the policies contained in GSA Bulletin FPMR E-63, if applicable. This Bulletin pertains to the Maintenance of Government-owned ADPE.

       6. This DPA is limited by the provisions of Office of Management and Budget (OMB) Circular Number A-108, and Transmittal Memorandum Number 1 thereto. Accordingly:

a. This DPA is not valid until 60 days following the submission of the required new-systems report to the Congress, the Privacy Protection Study Commission, if applicable, and the OMB:

b. This DPA shall be suspended, in the event that an objection to the new system is received as a result of the OMB-directed action identified in subparagraph a. above. In addition, your suspending action shall be reported to the General Services Administration, (Attention: CDSD), Washington, D.C. 20405, as soon as it occurs; and,

c. Upon resolution of any objection received as a result of the submission of a new-system report, all of the pertinent facts shall be submitted to the General Services Administration (Attention: CDSD), Washington, D.C. 20405. GSA shall notify you of the receipt of such resolution documentation within eight(8) workdays after receipt. Unless objection on the part of GSA is raised at that time, this DPA shall be considered as having been removed from suspension status.





\_\_\_\_ 7. This is an Interim DPA. It is valid for a period of \_\_\_\_\_ months installed system life. Further, it is valid and may be used only if you accept this schedule for the release or termination of the interim equipment, software and/or services being acquired, as well as the schedule necessary to complete the competitive acquisition of a replacement. The competitive replacement schedule encompasses all phases of the acquisition cycle, including delivery, installation, acceptance, conversion, and parallel operations. This also represents a commitment of your agency to allocate the necessary resources to ensure the timely completion of such procurement action, and to all other conditions set forth in this Interim DPA and its limitations. If at any time during the life of this Interim DPA, presently unforeseen events or circumstances arise which would impact (delay) the reprocurement action, the GSA (Attention: CDSD), Washington, D.C. 20405, shall be notified immediately in writing, so that an appropriate, mutually agreed to modification to this Interim DPA can be established.

\_\_\_\_ 8. In accordance with FPMR 101-35.2 conversion costs relating to your present data systems and applications programs which have been converted to "standardized high level languages" may be considered in the evaluation phase of the follow-on competitive procurement. In addition, conversion costs relating to all new data systems and/or new applications programs which you may develop, may be considered, if, from the date of this DPA forward, such development is implemented by your using Federal Standard high level languages. Conversion costs which result from the development of programs in non-standard languages for use on the interim system shall not be considered in the evaluation phase of your reprocurement. Conversion costs relating purely to the physical aspects of any equipment acquired as a result of this Interim DPA shall not be considered. Additionally, evaluation of any proposal received from a vendor of the equipment line of the installed system which proposes equipment which is program compatible, but is of different architecture than the installed equipment, shall consider costs of program and/or system conversion, modification, or changes which are required, in order to take advantage of operational benefits resulting from such differences.

\_\_\_\_ 9. Your agency shall prepare and submit progress reports relative to the follow-on procurement. These reports shall be submitted to the General Services Administration (Attention: CDSD), Washington, D.C. 20405. The first such report shall be due on or before \_\_\_\_\_ and shall cover the period through \_\_\_\_\_ and continue thereafter on a quarterly basis until release of the interim equipment has been accomplished.

(Revised 4/12/79)



10. In the event that the requirement is set aside for procurement under Small Business Administration policies (see 1-1.702), the provisions of Subpart 1-1.7 shall apply.

#### AS APPLICABLE

If the agency has determined that there is no acceptable alternative for measuring teleprocessing performance other than the use of an externally driven Remote Terminal Emulation (RTE) system during a Live Test Demonstration (LTD), an externally driven RTE system may be specified as mandatory in the solicitation document, provided (1) that industry is given notice 30 days prior to release of the solicitation. This advance notice shall consist of a pre-release of the detailed LTD instructions specifying the exact manner in which the RTE is to be implemented; notice of availability of these materials shall be published in the Commerce Business Daily, and (2) the General Services Administration, ADTS/CDD, Washington, D.C. 20405, is provided detailed justification for use of the RTE and all related RFP provisions at the time of industry notice. The related RFP provisions material submitted to GSA shall as a minimum include all of the benchmark test programs and associated data, description of how the tests are to be administered and observed, how data resulting from execution of the tests are to be gathered and analyzed, the criteria to be employed in evaluating this data, and how evaluation of this data contributes to the evaluation of the proposal.

Revised 4/12/79



## APPENDIX E

### OVERALL ADPE ACQUISITION SEQUENCE

1. Identification and determination of the data automation requirement.
2. Preparation of ADPE system specifications.
3. Economic analysis.
4. Sharing/reutilization check.
5. Approval of the requirement.
6. Introduction of action into the quarterly solicitation document forecast.
7. Identification of involved SSA (and hence, the processing route).
8. Issuance of pre-solicitation inquiry (including department of commerce business daily).
9. Appointment of SSAC/SSEB or SSEG.
10. Acquisition of NBS waivers.
11. Development of selection plan.
12. Development of solicitation document.
13. Preparation of benchmark test.
14. Proofing of benchmark test.
15. Issuance of synopsis in Department of Commerce business daily.
16. Approval of selection plan/solicitation document.
17. Obtaining delegation of GSA procurement authority.
18. Sharing/reutilization check.
19. Issuance of solicitation document.
20. Vendor conference.



21. Terminate vendor inquiries.
22. Issuance of final amendment/supplement to solicitation document.
23. Live test demonstration review.
24. Receipt of proposals.
25. Issuance of benchmark schedule.
26. Oral presentations by vendors.
27. Validation of "vendor requirements".
28. Conduct of benchmark tests.
29. Validation of benchmark findings.
30. Evaluation of "other systems requirements."
31. Contract negotiations.
32. Preparation of final SSEB report.
33. Recommendation by SSAC.
34. HDC review of SSAC recommendations.
35. SSA approval.
36. Sharing/reutilization check.
37. Award.
38. Vendor debrief.
39. Disposition of project file (retain for 3 years following installation).
40. Installation readiness review.
41. Installation.
42. Post-installation review and evaluation.





43. Annual review of:
- a. Leased ADPE,
  - b. The possibility of replacing ADPE with like equipment from third party sources,
  - c. The method of maintaining government-owned ADPE.

Checklist from SECNAVINST 5236.1A, "Specification, selection, and acquisition of automatic data processing equipment (ADPE)" of 30 April 1974.



## APPENDIX F

### SOLICITATION DOCUMENT N66032-80-R-0005

#### SECTION A - COVER SHEET

Information to offerors or quoters  
Solicitation, offer and award

#### SECTION B - SUPPLIES, SERVICES, AND PRICES

1. Scope of contract
2. Contract line item description list
3. Minimum order notice

#### SECTION C - DESCRIPTION/SPECIFICATION

1. Mandatory government requirements
2. Federal standards
  - 2.1 Code for information interchange
  - 2.2 Perforated tape code for information interchange
  - 2.3 Recorded magnetic tape for information interchange
  - 2.4 Rectangular holes in 12-row punched cards
  - 2.5 Hollerith punched card code
  - 2.6 Subsets of the standard code for information interchange
  - 2.7 Bit sequencing of the code for information interchange in serial-by-bit data transmission
  - 2.8 Character structure and character parity sense for serial-by-bit data communication in the code for information interchange
  - 2.9 Character structure and character parity sense for parallel-by-bit data communication in the code for information interchange
  - 2.10 Federal stand COBOL (note: requests for equations on validation to:

Federal Compiler Testing Center  
General Services Administration  
5203 Leesburg Pike, Suite 1100  
Falls Church, VA 22041



- 2.11 Synchronous signaling rates between data terminal and data communication equipment
- 2.12 Flowchart symbols and their usage in information processing
- 2.13 Recorded magnetic tape for information interchange
- 2.14 One-inch perforated paper tape for information interchange
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## SECTION A

## SOLICITATION, OFFER AND AWARD

3. CERTIFIED FOR NATIONAL DEFENSE UNDER DODD AEC-2 AND/OR DODD AEC-1  
DATE

4. PAGE 1 OF 135

1. CONTRACT OFFER NO. (SEE INSTRUCTIONS)

2. SOLICITATION NO.  
N66032-80-R-0005

3. DATE ISSUED

4. ACQUISITION/PROCUREMENT REQUEST NO.

☐ ADVERTISED OFFER ☒ NEGOTIATED OFFER5. ISSUED BY  
Department of the Navy  
Automatic Data Processing Selection Office  
Contracting Division  
Washington, D.C. 20376

CODE Non032

6. ADDRESS OFFER TO (If other than issue #1)

7. ADDRESS PREPARED OFFER AND OFFER MUST BE RETURNED TO ISSUE NO. AND ISSUE

## SOLICITATION

8. Sealed offers in original and 2 copies for forwarding the supplies or services in the Schedule will be received at the place specified in block 8, or if handwritten, in the enclosure specified as Crystal Mall Bldg 4, Rm 136 and 2:00  
Arlington, Virginia

11. This is an advertised solicitation. Offers will be publicly opened at this time.

CAUTION - LATE OFFERS. See para. 7 and 8 of Solicitation Instructions and Conditions.

All offers are subject to the following:

1. The Solicitation Instructions and Conditions, SF 33 A, Jan 1978

2. The General Provisions, SF 33, APR 1975

3. The Schedule included herein and/or attached hereto.

4. Such other provisions, representations, certifications, and specifications as are attached or incorporated herein by reference.

(Attachments are listed in schedule.)

FOR INFORMATION CALL (Name &amp; telephone no.) (Do not collect call) Ms. Gail O'Donnell, Contract Specialist, 202 697-1046

10.-15.

## TABLE OF CONTENTS

- Information to Offerors or Quoters, DD Form 1707
- PART I-THE SCHEDULE
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- B Supplies, Services and Prices
- C Description Specifications
- D Packaging and Marking
- E Inspection and Acceptance
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- J List of Documents, Exhibits, and Other Attachments
- PART IV-SOLICITATION INSTRUCTIONS
- K Representations, Certifications, and Other Statements of Offeror
- L Instructions and Conditions, and Notices to Offerors
- M Evaluation Factors for Award

## OFFER (must be fully completed by offeror)

16. In accordance with the above, the undersigned agrees, if this offer is accepted within 180 calendar days (80-business-days-until-10-business-days-after-acceptance) from the date for receipt of offers specified above, to furnish any or all items upon which prices are offered at the price set (delivered each item delivered at the designated point(s) within the time specified in the schedule (See Section L, paragraph 26)

17. DISCOUNT FOR PROMPT PAYMENT (See para. 8 of SF 33 A)

10 CALENDAR DAYS	20 CALENDAR DAYS	30 CALENDAR DAYS	CALENDAR DAYS
17. OFFEROR			
CODE		FACILITY CODE	
NAME AND ADDRESS (Street, city, county, state and ZIP code)		18. NAME AND TITLE OF PERSON AUTHORIZED TO SIGN OFFER (Type or print)	
AREA CODE AND TELEPHONE NO. (D)		19. SIGNATURE	
<input type="checkbox"/> Check if representative address is different from above - enter such address in Schedule		20. OFFER DATE	

## AWARD (To be completed by Government)

21. ACCEPTED AS TO ITEMS NUMBERED	22. AMOUNT	23. ACCOUNTING AND APPROPRIATION DATA	
24. SUBMIT INVOICES (4 copies unless otherwise specified)	25. NEGOTIATED PURSUANT TO	10 U.S.C. 2304a (1)	
TO ADDRESS SHOWN IN BLOCK 1		41 U.S.C. 251(c)(1)	
26. ADMINISTERED BY	27. PAYMENT WILL BE MADE BY		
(If other than issue #1)			
28. NAME OF CONTRACTING OFFICER (Type or print)	29. UNITED STATES OF AMERICA	30. AWARD DATE	
	BY (Signature of contracting officer)		

Award will be made on this form or on Standard Form 28 or by other official action named

33-130

Standard Form 33 Part 1 (REV. 3-77)

(4 paragraphs in SF 33. Approved by NARS 5-25-79. Prescribed by GSA, FPMR (41 CFR) 1-16.101)



ACKNOWLEDGEMENT OF AMENDMENTS

The offeror acknowledges receipt of amendments to the Solicitation for offers and related documents numbered and dated as follows:

<u>Amendment No.</u>	<u>Date</u>
_____	_____
_____	_____
_____	_____
_____	_____



<b>INFORMATION TO OFFERORS OR QUOTERS</b> (Section A - Cover Sheet)	SOLICITATION NUMBER <b>N60032-80-R-0005</b> <input type="checkbox"/> ADVERTISED (IFB) <input checked="" type="checkbox"/> NEGOTIATED (RFP) <input type="checkbox"/> NEGOTIATED (RFO)		
ISSUING OFFICE (Complete mailing address including Zip Code) Department of the Navy Automatic Data Processing Selection Office Contracting Division Washington, D.C. 20376			
ITEM(S) TO BE PURCHASED (Brief description) Large-scale computer system with software, maintenance, training & documentation for the Naval Postgraduate School, Monterey, California.			
THIS PROCUREMENT IS: <input checked="" type="checkbox"/> UNRESTRICTED <input type="checkbox"/> SET-ASIDE (This is a _____% set-aside for <input type="checkbox"/> Small Business, <input type="checkbox"/> Labor Surplus Area Concerns or <input type="checkbox"/> Combined Small Business/Labor Surplus Area Concerns.) (See Section C of the Table of Contents in this solicitation for details of the set-aside.)			
<p>NOTE THE AFFIRMATIVE ACTION REQUIREMENT OF THE EQUAL OPPORTUNITY CLAUSE WHICH MAY APPLY TO THE CONTRACT RESULTING FROM THIS SOLICITATION.</p> <p>You are cautioned to note the "Certification of Non-Segregated Facilities" in the solicitation. Failure to agree to the certification will render your reply nonresponsive to the terms of solicitations involving awards of contracts exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity clause.</p> <p>"Fill-ins" are provided on the face and reverse of Standard Forms 18 and 33, or other solicitation documents and Sections of Table of Contents in this solicitation and should be examined for applicability.</p> <p>See the paragraph of this solicitation entitled "Late Bids, Modifications of Bids or Withdrawal of Bids" or "Late Proposals, Modifications of Proposals and Withdrawals of Proposals".</p> <p>The envelope used in submitting your reply must be plainly marked with the Solicitation Number, as shown above and the date and local time set forth for bid opening or receipt of proposals in the solicitation document.</p> <p>If NO RESPONSE is to be submitted, detach this sheet from the solicitation, complete the information requested on reverse, fold, affix postage, and mail. NO ENVELOPE IS NECESSARY.</p> <p>Replies must set forth full, accurate, and complete information as required by this solicitation (including attachments). The penalty for making false statements is prescribed in 18 U.S.C. 1001.</p>			
ADDITIONAL INFORMATION The Armed Services Procurement Regulation (ASPR) has been redesignated as the Defense Acquisition Regulation (DAR). Both terms may appear in this document.			
FOR INFORMATION ON THIS PROCUREMENT WRITE OR CALL.			
NAME AND ADDRESS Ms. Gail O'Donnell Automatic Data Processing Selection Office	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">           TELEPHONE (Area Code, No. &amp; Ext.)            202 697-1046         </td> <td style="width: 30%; text-align: center; vertical-align: middle;">           NO COLLECT CALLS         </td> </tr> </table>	TELEPHONE (Area Code, No. & Ext.) 202 697-1046	NO COLLECT CALLS
TELEPHONE (Area Code, No. & Ext.) 202 697-1046	NO COLLECT CALLS		





NO RESPONSE FOR REASONS CHECKED

CANNOT COMPLY WITH SPECIFICATIONS

CANNOT MEET DELIVERY REQUIREMENT

UNABLE TO IDENTIFY THE ITEM(S)

DO NOT REGULARLY MANUFACTURE OR SELL THE TYPE OF ITEMS INVOLVED

OTHER (Specify)

WE DO

WE DO NOT. DESIRE TO BE RETAINED ON THE MAILING LIST FOR FUTURE PROCUREMENT OF THE TYPE OF ITEM(S) INVOLVED

NAME AND ADDRESS OF FIRM (Include Zip Code)

SIGNATURE

TYPE OR PRINT NAME AND TITLE OF SIGNER

FROM

APPR  
STAMP  
HERE

TO: Department of the Navy  
Automatic Data Processing Selection Office  
Contracting Division. ATTN: Ms. O'Donnell  
Washington, D.C. 20376

SOLICITATION NO. N66032-80-R-0005

Project 79-95

DATE AND LOCAL TIME \_\_\_\_\_



# APPENDIX G FPR 1-4.11

Federal Register / Vol. 46, No. 2 / Monday, January 5, 1981 / Rules and Regulations

1197

(38) Subsection 1-4.1109-21 regarding the use of simulation is added, replacing § 1-4.1107-5.

(39) Subsections 1-4.1109-22 and -23 regarding use of benchmarks and remote terminal emulation are added, replacing § 1-4.1107-5 and FPR Temp. Reg. 49 provisions.

(40) Subsection 1-4.1109-24 is added to include conversion costs under evaluation factors, replacing § 1-4.1107-13.

(41) Subsection 1-4.1109-25 regarding implementation of standards is added, replacing § 1-4.1108-5 as amended by FPR Amendment 210.

(42) Section 1-4.1110 regarding standard clauses is added, replacing § 1-4.1108; and § 1-4.1110-1 replaces § 1-4.1108-2.

(43) Subsection 1-4.1110-2 regarding contractor representation is added to include a modified clause, replacing § 1-4.1108-3.

(44) Subsection 1-4.1110-3 regarding fixed price options is added, replacing § 1-4.1108-4 as changed by FPR Amendment 210. Note particularly the optional special contractual provision regarding discontinuance of rental of items during, not at the end, of a contract period.

(45) Section 1-4.1111 regarding additional clauses is added.

(46) Section 1-4.1112 regarding guidance is added, replacing § 1-4.1107-19.

(c) The changes in this regulation were developed concurrently with substantive changes to existing provisions in FPMR Subpart 101-35.2—Management, Acquisition, and Utilization of Automatic Data Processing (ADP) Resources. This Subpart 1-4.11 is intended to be used in concert with Subpart 101-35.2, particularly, of Subchapter F of the FPMR.

(d) This regulation cancels FPR Temporary Regulation 46 (43 FR 40015, Sept. 8, 1978); FPR Temp. Reg. 46, Supp. 2 (44 FR 52208, Sept. 7, 1979); FPR Temp. Reg. 46, Supp. 3 (45 FR 62906, Sept. 23, 1980); and FPR Temp. Reg. 47 (43 FR 41044, Sept. 14, 1978) which are deleted from the appendix at the end of 41 CFR Chapter 1. This regulation supersedes the provisions of FPR Temp. Reg. 49 (44 FR 22725, Apr. 17, 1979); FPR Temp. Reg. 49, Supp. 1 (45 FR 13734, Mar. 3, 1980); FPMR Temp. Reg. F-492 (44 FR 82515, Oct. 31, 1979) and FPMR Temp. Reg. F-496 (45 FR 81202, Dec. 10, 1980), to the extent that they are in conflict with the regulation.

1. The table of contents for Part 1-4 is changed by revising the title and contents of Subpart 1-4.11, as follows:

## Subpart 1-4.11—Procurement and Contracting Government-Wide for Automatic Data Processing Equipment, Software, Maintenance Services, and Supplies

### Sec.

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1-4.1100-1 Relationship to the Federal Property Management Regulations (FPMR).

1-4.1100-2 Relationship to other procurement authority.

1-4.1100-3 Deviations.

1-4.1101 Applicability.

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1-4.1104-2 Software.

1-4.1104-3 Maintenance services.

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1-4.1106 GSA action on procurement requests.

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1-4.1109-2 Competitive basis and documentation.

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1-4.1109-4 [Reserved]

1-4.1109-5 Small purchases.

1-4.1109-6 Use of GSA schedule contracts.

1-4.1109-7 Use of requirements contracts.

1-4.1109-8 Industry review of ADP specifications.

### Sec.

1-4.1109-9 Handling of late bids, proposals, modifications, and withdrawals.

1-4.1109-10 Use of functional specifications.

1-4.1109-11 Use of other types of specifications or purchase descriptions.

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1-4.1109-20 Computer security requirements.

1-4.1109-21 Restrictions on the use of simulation in ADP systems procurement.

1-4.1109-22 Use of benchmarks in low dollar ADP systems procurement.

1-4.1109-23 Use of remote terminal emulation in ADP systems procurement.

1-4.1109-24 Evaluation factors.

1-4.1109-25 Implementation of standards.

1-4.1110 Standard clauses.

1-4.1110-1 Limitation of liability.

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1-4.1111 Additional clauses.

1-4.1112 Assistance by GSA.

Authority: Section 205(c), 63 Stat. 390, 40 U.S.C. 486(c).

2. The title and text of Subpart 1-4.11 is revised to read as follows:

## Subpart 1-4.11—Procurement and Contracting Government-Wide for Automatic Data Processing Equipment, Software, Maintenance Services, and Supplies

### § 1-4.1100 Scope of subpart.

This subpart sets forth policies and procedures which are to be employed in the procurement of all automatic data processing equipment (ADPE), commercially available software, maintenance services, and related supplies by Federal agencies (see also § 1-4.1109-1) and by Government contractors as directed by agencies.

### § 1-4.1100-1 Relationship to the Federal Property Management Regulations (FPMR).

(a) Subchapter F of this title (41 CFR Chapter 101, hereafter referred to as the FPMR) provides policies, procedures, and guidelines pertaining to the management of Governmentwide automatic data processing (ADP) functions (see particularly FPMR Subpart 101-35.2). The FPMR involves such matters as (1) the security of ADP systems, (2) utilization of ADP resources, (3) reutilization of equipment and supplies, (4) assistance to Federal agencies, (5) Federal data processing centers, (6) the ADP collocation and





consolidation program, (7) ADP records management, and (8) implementation of Federal information processing standards publications (FIPS PUBS) and Federal telecommunications standards (FED-STD).

(b) The provisions of FPMR Part 101-37 are applicable to telecommunications when associated with ADP.

(c) When telecommunications are involved, regardless of the authority to procure ADPE as indicated in § 1-4.1104-1, agencies are required to submit the documentation prescribed in FPMR Part 101-37.

(d) FPMR Subpart 101-17 concerns the information that must be submitted to GSA relative to space requirements for ADPE.

#### § 1-4.1100-2 Relationship to other procurement authority.

(a) Under Section 111 of the Federal Property and Administrative Services Act of 1949, 79 Stat. 1127, as amended (40 U.S.C. 759), the Administrator of General Services has authority to coordinate and provide for the purchase, lease, and maintenance of ADP equipment by Federal agencies as well as other matters relating to the management, acquisition, and utilization of ADP. The exercise of this procurement authority shall be accomplished as specified in this subpart.

(b) Section 111(g) of the Property Act (40 U.S.C. 759, Pub. L. 89-306) provides that the Administrator's authority is subject to fiscal and policy control of the Office of Management and Budget (OMB). When an agency submits matters to the OMB for resolution (see FPMR § 101-36.001) and the matters relate to the procurement and contracting for ADP, copies shall be furnished to GSA as provided in FPMR § 101-36.001.

#### § 1-4.1100-3 Deviations.

To maintain uniformity to the greatest extent feasible, deviations (as the term is described in § 1-1.009-1) from this subpart shall be kept to a minimum and controlled as follows:

(a) The head of each agency exercising delegated procurement authority under this subpart shall prescribe a formal agency procedure for the control of requests for deviations from this subpart. A copy of this procedure shall be provided to the General Services Administration (CPE), Washington, DC 20405.

(b) Individual deviations may be authorized only by the Administrator of General Services or the officers designated by the Administrator for this purpose. Class deviations may be

authorized only by the Administrator. In each instance, the request shall disclose the nature of the deviation and the reasons therefor. Requests for deviations shall be forwarded to the General Services Administration (CPS), Washington, DC 20405.

(c) Except as otherwise authorized, when any deviation in a contract form provision is authorized, physical change may not be made in the printed form but shall be made by appropriate provision in the schedule, specifications, or continuation sheet, as provided in agency procedures.

#### § 1-4.1101 Applicability.

(a) *Federal agencies.* The policies and procedures set forth in this subpart apply to the procurement of ADPE, commercially available software, maintenance services, and related supplies by Federal agencies regardless of use or application including Government-acquired ADPE, software, or related supplies provided to contractors.

(b) *Government contractors.* (1) Except as set forth in paragraph (b)(2) of this section, agencies shall require their contractors to apply the policies and procedures set forth in this subpart to the procurement of ADPE, commercially available software, maintenance services, and related supplies when the very subject matter of the contract(s) is for the performance of commercial ADP services for a Federal agency (see FPMR § 101-35.202-8 and § 1-4.1109-18) and

(i) The Government requires the contractor to purchase the ADPE or software for the account of the Government; or

(ii) The Government requires the contractor to pass title to the ADPE or software to the Government; or

(iii) The Government pays the full lease costs of the ADPE or software under a cost-reimbursement contract.

(2) When the very subject matter of a contract is for something other than the procurement of ADP items or services,<sup>1</sup> and commercially available ADPE is incorporated into the non-ADP system or commercial ADP services are used in contract performance, the acquisition and management of the non-ADP system shall be in accordance with other applicable regulations rather than this subpart (but see § 1-4.1109-18).

<sup>1</sup>When the subject matter of a requirement (or a severable portion thereof) is the supplying of ADP services or ADP related services to a Federal agency, see Subpart 1-4.12 (Reserved at publication date)

#### § 1-4.1102 Definitions.

The terms used in this subpart shall have the meanings set forth in this section.

##### § 1-4.1102-1 Automatic data processing equipment.

"Automatic data processing equipment" (ADPE) means <sup>2</sup>general purpose, commercially available, mass-produced automatic data processing devices; i.e., components and the equipment systems configured from them together with commercially available software packages that are provided and are not priced separately, and all documentation and manuals relating thereto, regardless of use, size, capacity, or price, that are designed to be applied to the solution or processing of a variety of problems or applications and are not specially designed, as opposed to configured, for any specific application.

(a) Included are:

(1) Digital, analog, or hybrid computers;

(2) Auxiliary or accessorial equipment, such as plotters, tape cleaners, tape testers, data conversion equipment, source data automation recording equipment (optical character recognition devices, paper tape typewriters, magnetic tape, card, or cartridge typewriters, word processing equipment, computer input/output microfilm and other data acquisition devices), or computer performance evaluation equipment; etc., designed for use with digital, analog, or hybrid computer equipment, either cable connected, wire connected, or stand alone, and whether selected or acquired with a computer or separately;

(3) Punched card accounting machines (PCAM) that can be used in conjunction with or independently of digital, analog, or hybrid computers; and

(4) Data transmission or communications equipment, including front-end processors, terminals, sensors, and other similar devices, designed primarily for use with a configuration of ADPE.

(b) Excluded are:

(1) ADPE systems and components specially designed (as opposed to configured) and produced to perform a specific set or series of computational, data manipulation, or control functions

<sup>2</sup>The acquisition of Joint Committee on Printing (JCP) controlled equipment in FSC Group 70 dedicated to printing processes and utilizing computer technology, including electronic printing systems, integrated printing systems, and photo-composition equipment, continues to be subject to the provisions of title 44, U.S. Code, and the JCP - Government Printing and Binding Regulations as well as to this regulation.



to permit the processing of only one problem; and

(2) Commercially available ADPE that is modified to meet Government specifications at the time of production to the extent that:

(i) It no longer has a commercial market; or

(ii) It cannot be used to process a variety of problems or applications; or

(iii) It can be used only as an integral part of a non-ADP system.

#### § 1-4.1102-2 Software terms.

(a) "Software" means computer programs, procedures, rules, or routines specifically designed to make use of and extend the capabilities of ADPE and includes operating systems, assemblers, compilers, interpreters, data base management systems, utility programs, sort-merge programs, maintenance-diagnostic programs, and applications programs. The term encompasses operating systems software, independent subroutines, related groups of routines, sets or systems of programs, software documentation, firmware (see § 1-4.1102-3), and computer data bases whether Government-owned or commercially available.

(b) "Commercially available software" means software that is available through lease or purchase in the commercial market from a concern representing itself to have ownership and/or marketing rights in the software. Software that is furnished as part of the ADP system but that is separately priced, is included.

(c) "Application software" means a series of instructions or statements in a form acceptable to a computer, designed to cause the computer to execute an operation or operations necessary to process requirements such as payroll, inventory control, or automatic test and engineering analysis. Application software may be either machine-dependent or machine-independent, and may be general-purpose in nature or be designed to satisfy the requirements of a specialized process or a particular user.

(d) "Computer data base" means a stored collection of data in a form capable of being processed and operated on or by a computer; i.e., the elements of stored data used by a computer in responding to a computer program.

(e) "Computer software documentation" means recorded information including computer listings and printouts that (1) documents the design or details of computer software, (2) explains the capabilities of the software, (3) provides data for testing the software, or (4) provides operating instructions.

(f) "Software conversion" means the transformation, without functional change, of computer programs or data elements to permit their use on a replacement or changed ADP equipment or teleprocessing service system.

(g) "Software redesign" means any change to software that involves a change in the functional specifications for that software.

(h) "Reprogramming" means any change to software that deviates from the design specifications for that software but preserves the functional requirements of the user.

(i) "Recoding" means a manual change to software on a line-for-line basis that preserves both the functional requirements and software design specifications.

(j) "Automated translation" means changes to software including machine-processed recoding that preserve both the functional requirements and software design specifications to the extent that no changes are apparent to the user.

#### § 1-4.1102-3 Firmware.

"Firmware" means any ADP hardware-oriented programming at the basic logic level of the computer that is used for machine control, error recovery, mathematical functions, applications programs, engineering analysis programs, and the like. Included are firmware that is furnished with ADPE, commercially available proprietary firmware that is acquired separately from ADPE, and all vendor documentation and manuals relating thereto.

#### § 1-4.1102-4 Maintenance services.

"Maintenance services" means those examination, testing, repair, or part replacement functions performed to: (a) Reduce the probability of ADPE malfunction (commonly referred to as "preventive maintenance"); (b) restore to its proper operating status a component of ADPE that is not functioning properly (commonly referred to as "remedial maintenance"); or (c) modify the ADPE in a minor way (commonly referred to as "field engineering change" or "field modification").

#### § 1-4.1102-5 Related supplies.

"Related supplies" means consumable items designed specifically for use with ADPE, such as computer tape, ribbons, punchcards, and tabulating paper.

#### § 1-4.1102-6 Remote terminal emulation terms.

(a) "System under test" (SUT) means an ADP system or component thereof

whose performance is being validated during the procurement process.

(b) "Internal emulation" means a technique used for teleprocessing performance validation in which the teleprocessing workload is introduced from software running internal to the SUT, either in the central processing unit, the communications front end, or, when the architecture supports it, some other processor configured as part of the SUT.

(c) "Remote terminal emulation" means a technique for teleprocessing performance validation in which the driver and monitor components are implemented external to and independent of the SUT.

(d) "Driver" means a remote terminal emulation component, external to the SUT, which introduces specified workload demands to the ADP system being tested.

(e) "Monitor" means a remote terminal emulation component, external to the SUT, which records data descriptive of the remote terminal emulator/SUT interaction.

(f) "Remote terminal emulator" (RTE) means a specific hardware and software implementation of a teleprocessing workload driver (a monitor may or may not be an integral part of an RTE).

#### § 1-4.1102-7 Competitive requirement.

A "competitive requirement" means that the Government's requirement is set forth in the form of functional specifications, equipment performance specifications, a combination thereof, software and equipment plug-to-plug compatible functionally equivalent descriptions, or brand name or equal descriptions, that allows maximum practicable competition and is devoid of unnecessary bias toward either a specific product or a specific offeror.

#### § 1-4.1102-8 Noncompetitive (sole source) requirement.

A "noncompetitive (sole source) requirement" means that the Government's requirement is set forth in the form of necessary specifications that are so restrictive that there is only one known supplier capable of satisfying the Government's requirement or the procurement is based on specific make and model specifications/purchase descriptions, notwithstanding the existence of adequate price competition as defined in § 1-3.807-1(b)(1) (or, if applicable, Defense Acquisition Regulation (DAR) 3-807.7(a)).

#### § 1-4.1102-9 Maximum practicable competition.

"Maximum practicable competition" means a negotiated procurement action







when proposals are solicited from the maximum number of qualified sources, including small business concerns, consistent with the nature of and requirements for the supplies or services to be procured, to the end that the procurement will be made to the best advantage of the Government, price and other factors considered. This requires a procurement strategy, suitable to the circumstances, in which the statement of the user's requirement is set forth in the least restrictive terms possible without compromising economy or efficiency. It is designed to elicit from responsible firms capable of satisfying the needs, a number of favorable offers commensurate with the value of the procurement. It is calculated to satisfy the user's needs at the lowest overall cost to the Government, price and other factors considered (see § 1-4.1102-10). The quantifiable cost of conducting the procurement and other administrative costs directly related to the procurement process are included.

**§ 1-4.1102-10 Lowest overall cost.**

"Lowest overall cost" means the least expenditure of funds over the system/item life, price and other factors considered. Lowest overall costs shall include purchase price, lease or rental cost, or services cost of the contract actions involved, other factors, and other identifiable and quantifiable costs that are directly related to the acquisition and use of the system/item; e.g., personnel, maintenance and operation, site preparation, energy consumption, installation, conversion, system start-up, contractor support, and the present value discount factor (see also FPMR § 101-35.210).

**§ 1-4.1102-11 System/item life.**

"System/item life" means a forecast or projection of the period of time that begins with the installation of the system/item and ends when the Government's need for that system/item has terminated. System/item life is established by the initial acquiring agency on the basis of its requirement and predicted reuse (see § 101-35.208). System/item life is not necessarily synonymous with technological life (utility before becoming obsolete), physical life (utility before physically wearing out), or application life (utility in a given function).

**§ 1-4.1102-12 Functional specifications.**

"Functional specifications" means the delineation of the program objectives based on mission needs in a form that the ADP system is intended to accomplish and the data processing requirements underlying that

accomplishment. The latter includes a description of the data output and its intended uses, the data input, the data files and record content, the volumes of data, the processing frequencies, timing, and such other facts as may be necessary to provide for a full description of the ADP mission need to be satisfied.

**§ 1-4.1102-13 Equipment performance specifications.**

"Equipment performance specifications" means a statement of minimum user output requirements such as the amount of data that needs to be stored or processed within a given time, the number of lines of print that must be done over a given time, and the operation reliability, supplemented to the extent necessary with those hardware factors, devoid of as much vendor orientation as possible, such as cycle time, computing speed, tape read or write speed, printer speed, size of memory, expansibility (modularity), etc., and the related software which are a measure of the operating capability of equipment and which, when applied to the functional specifications, provide a quantitative measure of the operating time and capacity required to process the applications involved on that equipment.

**§ 1-4.1102-14 Agency procurement request.**

"Agency procurement request" (APR) means a request by a Federal agency for CSA to procure ADPE, commercially available software, or maintenance services or for CSA to delegate the authority to procure these items.

**§ 1-4.1102-15 Mandatory requirements.**

"Mandatory requirements" means those contractual conditions and technical specifications that are established by the Government as being essential to meet the Government's needs. When set forth in a solicitation, the mandatory requirements must be met for the bid (offer) to be considered responsive (acceptable).

**§ 1-4.1102-16 Evaluated optional features.**

"Evaluated optional features" means those technical requirements that are established by the Government but that does not have to be bid (offered) to be responsive (acceptable) to the specific solicitation. When set forth in a solicitation, all evaluated optional features must reflect the relative value of each feature to the Government. Each evaluated optional feature may be offered at the discretion of the offeror.

**§ 1-4.1102-17 Selection plan.**

"Selection plan" means criteria and systematic procedures established to enable the Government to measure the proposal of an offeror/bidder against the requirements of the Government as set forth in the solicitation document. These criteria shall be based on the Government's requirements and shall not be equipment- or vendor-oriented, except where a brand name or equal specification or specific make or model description is needed to express the requirement adequately.

**§ 1-4.1102-18 Federal agency.**

"Federal agency" means (a) any executive agency (executive department or independent establishment in the executive branch including any wholly owned Government corporation) or (b) any establishment in the legislative or judicial branch of the Government (except the Senate, the House of Representatives, and the Architect of the Capitol and any activities under the Architect's direction) (see 40 U.S.C. 472).

**§ 1-4.1103 General policies.**

**§ 1-4.1103-1 Competition.**

Full and open competition is a basic procurement objective of the Government. The maximum practicable competition among offerors who are capable of meeting the user's needs will ensure that the Government's ADP needs are satisfied at the lowest overall cost, price and other factors considered, over the system/item life. This extends to actions necessary to foster competitive conditions for subsequent procurements. To meet fully the lowest overall cost objective, it is essential that proper management and planning actions be accomplished before the acquisition becomes imminent (see FPMR § 101-35.206).

**§ 1-4.1103-2 Requirements analysis.**

The acquisition of an initial ADP capability or the augmentation or replacement of an existing capability shall be preceded by a comprehensive requirements analysis that is commensurate with the scope and complexity of the program objectives and mission needs. The operational and economic feasibility of all alternative solutions, including use of non-ADP resources, sharing, use of commercial ADP services, and reutilization of excess Government-owned or leased equipment, shall be considered (see FPMR § 101-35.207).

**§ 1-4.1103-3 Urgent requirements.**

The existence of a public exigency; i.e., the Government will suffer serious injury, financial or otherwise, if the



equipment or services are not available by a specific date, shall not relieve the agency from the responsibility for obtaining maximum practicable competition (see § 1-3.202 (or, if applicable DAR 3-202)).

#### § 1-4.1103-4 Major system acquisitions.

Major ADP systems to be acquired in accordance with the provisions of OMB Circular A-109 and agency implementing directives are subject to this subpart (see § 1-4.1108).

#### § 1-4.1103-5 Small business and labor surplus area concerns.

ADPE, software, maintenance services, and related supplies may be set aside for award to small business or labor surplus area concerns in accordance with the provisions of Subparts 1-1.7 and 1-1.8 and implementing agency policies and procedures (or, if applicable, DAR Parts 1-7 and 1-8).

#### § 1-4.1104 Procurement authority.

(a) To allow for the orderly implementation of a program for the economic and efficient procurement of ADPE, commercially available software, maintenance services, and related supplies, agencies are authorized to procure these items in accordance with the provisions of this § 1-4.1104 provided that requirements are not fragmented in order to circumvent the established blanket delegation thresholds, or when a specific delegation or procurement authority has been provided in accordance with the provisions of §§ 1-4.1105 and 1-4.1108. However, the applicable provisions of FPMR Subchapter F shall be complied with before initiating a procurement action.

(b) The exercise of procurement authority shall be accomplished as specified in § 1-4.1109.

(c) Two copies of the solicitation document (RFP or IFB, as applicable) and any subsequent amendment thereto that changes the specifications, evaluation criteria, or installation date shall be forwarded to the General Services Administration (GSA), Washington, DC 20405, as soon as available, but shall not arrive later than 8 workdays before the proposed date of issuance to industry. GSA will notify the agency of the date of receipt of the solicitation document as soon as it is received. However, if timely issuance of the solicitation is critical to agency mission accomplishment, copies of the solicitation document may be forwarded to GSA concurrently with issuance to industry, provided that the RFP is based on the GSA Solicitation Document for

ADP Equipment Systems,<sup>3</sup> whether in the GSA or Defense Acquisition Regulation (DAR) format, or the specifications have been received by industry in accordance with § 1-4.1109-8. Amendments to all solicitations that are clearly administrative in nature or are for clarification purposes need not be forwarded to GSA until the dates the amendments are sent to industry.

(d) One copy of the contract and subsequent modifications thereto shall be forwarded to GSA when they are issued.

#### § 1-4.1104-1 Automatic data processing equipment.

Except as indicated in § 1-4.1104-5 regarding potential use of the ADP Fund, FPMR Subpart 101-38.2 with respect to sharing, and FPMR Subpart 101-38.3 with respect to the use of excess ADPE, agencies may procure ADPE without prior approval of GSA, unless procurement authority has been specifically withdrawn, when either paragraph (a), (b), or (c) of this § 1-4.1104-1 applies.

(a) The procurement is to be made by placing a purchase/delivery order against an applicable GSA requirements-type contract.

(b) The procurement is to be made by placing a purchase/delivery order against a GSA schedule contract provided that the following three conditions are met:

(1) The order is within the maximum order limitation (MOL) of the applicable contract;

(2) The total purchase price of the item(s) covered by the order does not exceed \$300,000;<sup>4</sup> and

(3) The requirements set forth in § 1-4.1109-8 on the use of GSA schedule contracts are met.

(c) The procurement is to be made by normal solicitation procedures and value<sup>5</sup> of the procurement does not exceed:

(1) \$500,000 purchase price or <sup>6</sup>\$12,500 basic monthly rental charges<sup>7</sup> for competitive procurements; or

(2) \$50,000 purchase price or <sup>6</sup>\$1,500 basic monthly rental charges<sup>7</sup> for either sole source or specific make and model procurements.

<sup>3</sup>The GSA Solicitation Document for ADP Equipment Systems is available from General Services Administration (GSA), Washington, DC 20405.

<sup>4</sup>Even though the item(s) are to be rented or leased, the purchase price shall be used to determine if the dollar value of the order falls within the \$300,000 threshold.

<sup>5</sup>Values include evaluated optional features.

<sup>6</sup>The procurement method used determines which threshold applies.

<sup>7</sup>The basic monthly rental charges including attendant maintenance costs.

#### § 1-4.1104-2 Software.

Except for software available through the Federal Software Exchange Center (FSEC) covered by FPMR Subpart 101-38.16, agencies may procure commercially available software without prior approval of GSA when either paragraph (a), (b), (c), or (d) of this § 1-4.1104-2 applies.

(a) The procurement is to be made by placing a purchase/delivery order against an applicable GSA requirements-type contract.

(b) The procurement is to be made by placing a purchase/delivery order under the terms and conditions of an applicable GSA schedule contract (see § 1-4.1109-8).

(c) The procurement is to be made by normal solicitation procedures and total value of the procurement, excluding maintenance, for the specific software package(s) does not exceed:

(1) \$100,000 for competitive procurement; or

(2) \$50,000 for sole source procurements.

(d) The software is provided with and is not separately priced from the ADPE.

#### § 1-4.1104-3 Maintenance services.

Agencies may procure maintenance services without prior approval of GSA when either paragraph (a) or (b) of this § 1-4.1104-3 applies.

(a) The procurement is to be made by placing a purchase/delivery order under the terms and conditions of an applicable GSA schedule contract (see § 1-4.1109-8).

(b) The procurement is to be made by normal solicitation procedures and the value of the maintenance charges do not exceed \$200,000 annually for a competitive procurement of \$50,000 annually for a sole source procurement.

#### § 1-4.1104-4 Related supplies.

Agencies may procure related supplies without prior approval of GSA when specific purchase programs established by GSA have been considered and determined to be inapplicable (see § 1-4.1109-17).

#### § 1-4.1104-5 Automatic data processing fund.

When a lease/purchase evaluation indicates that it would be to the best interest of the Government to purchase rather than lease ADPE or commercially available software and funds are not readily available within the agency; e.g., when there is insufficient time to secure the necessary funds under normal budgetary procedures or to reprogram for the required funds, the matter shall be forwarded to GSA in the manner prescribed in FPMR § 101-35.211. When





approved by GSA, the ADP fund may be used by agencies to obtain maintenance services for ADP leased from GSA through the ADP fund.

**§ 1-4.1105 Request for procurement action.**

If an agency determines that the conditions of the contemplated procurement are not covered by the provisions of § 1-4.1104, or if the conditions of the contemplated procurement change during the procurement process in such manner as to remove it from those provisions, four copies of the agency procurement request (APR) and other applicable documents shall be forwarded to the General Services Administration (GSA), Washington, DC 20405. The APR shall contain the name and telephone number of an individual within the agency who shall act as the point of contact with GSA. The APR shall include, as applicable:

(a) A copy of the proposed solicitation document, if available. If the solicitation document is not available, the functional specifications or the ADPE configuration that is to be acquired shall be included. Unless a functional specification is provided, the description should reflect the estimated number of central processing units, storage devices and controllers, terminals, other peripheral devices, and communications devices.

(b) A statement providing the estimated budgeted value of the procurement in the agency's request to OMB, whether these funds were implicitly or explicitly described, and the fiscal year of the budget request.

(c) Estimated system or item life (see § 1-4.1102-11) and estimated system life cost.

(d) Location (city and state) of the data processing facilities involved.

(e) Fiscal quarter during which the solicitation is expected to be released to industry for procurement action.

(f) Unique software, maintenance, and support requirements, if any.

(g) A statement or other evidence that indicates that a performance evaluation has been made for the currently installed ADP system(s), when applicable, to ensure that the proposed procurement represents the lowest overall cost alternative for meeting the agency's data processing need (see FPMR Subpart 101-36.14).

(h) Evidence that site construction/modification is or is not required (see FPMR § 101-17.101-5). One of the following statements shall be used for this purpose:

(1) The acquisition of this equipment will not require site construction or modification by GSA; or

(2) The acquisition of this equipment will require site (construction) (modification) by GSA which must be completed by (date) and notification and information, as applicable, (has been) (will be) submitted to GSA on (date).

(i) A statement that the need to acquire ADPE or ADP systems has been documented as required by FPMR § 101-35.207.

(j) A statement that, as FPMR Subparts 101-36.2 and 101-36.3 require, available ADP resources have been screened and no ADP resources are available to satisfy the user's requirements.

(k) A justification, if applicable, to support a contemplated noncompetitive (sole source) procurement (including use of specific make and model purchase description). Specifically, this justification must address:

(1) The intended use or application of the equipment;

(2) The critical installation schedule(s) or unique features and/or mandatory requirements, dictated by the intended use, that limit the acquisition to a single source of supply or a specific make and model. (The overriding necessity of these competition-limiting requirements shall be clearly identified.);

(3) The fact that no other known or probable source of supply exists for the required equipment, if a noncompetitive (sole source) procurement is contemplated. (The justification also shall elaborate on the steps taken which led to this conclusion.);

(4) The existence of patent, copyright, or other limitations; and

(5) The practical factors which preclude the development of specifications and/or the requirement for competition (see § 1-4.1102-7).

(l) Documentation, when telecommunications are involved (see § 1-4.1100-1(c)).

(m) One of the following statements regarding compliance with the Privacy Act of 1974:

(1) Equipment or services identified by this request will not be used to operate a system of records or individuals to accomplish an agency function.

(2) Equipment or services identified by this request will be used to operate a system of records on individuals to accomplish an agency function. All applicable provisions of the Privacy Act have been complied with, including submitting a report of new systems to Congress and OMB on (date).

(n) A brief description of the primary agency program(s) that the equipment or services will support.

(o) Computer security requirements, where applicable, as certified by the

responsible agency official (see FPMR Subpart 101-35.3).

(p) Software conversion study where applicable (see § 1-4.1109-13).

(q) Findings to support the use of compatibility limited requirements where applicable (see § 1-4.1109-12).

**§ 1-4.1106 GSA action on procurement requests.**

(a) After review of an APR and the documentation submitted under § 1-4.1105 and subject to the right of the agency to determine its individual software, maintenance, and ADPE requirements, including the development of specifications for and the selection of the types and configurations of equipment needed, the Commissioner, Automated Data and Telecommunications Service, will:

(1) Delegate to the agency the authority to conduct the procurement; or

(2) Delegate to the agency the authority to conduct the procurement and provide for participation in the procurement with the agency to the extent considered necessary under the circumstances; or

(3) Provide for the procurement by GSA or otherwise obtain the requirement on behalf of the agency.

(b) Action will be taken by GSA within 20 workdays after receipt of full information from an agency involving a request for procurement (APR) or supplemental APR data as provided in § 1-4.1105. Upon expiration of this 20-workday period plus 5 calendar days for mail lag, the agency concerned may proceed with the procurement as if a delegation of authority had, in fact, been granted. This 20-workday period is subject to written modification by GSA in the event that, after review, it is found that the APR does not contain the full information required. To establish a common understanding of the 20-workday period, GSA will provide written verification within this period to the agency concerned that identifies the date of receipt of an APR or supplemental APR data.

(c) In the event that unusual circumstances surrounding the procurement dictate that a longer period of time is required for GSA to complete its appraisal, GSA will provide written verification within the 20-workday period. Under these circumstances the automatic delegation rule as set forth in paragraph (b) of this section shall not apply.

**§ 1-4.1106-1 Agency responsibilities when GSA procures ADP items for that agency.**

When GSA procures ADP items for another agency, the procurement is a joint endeavor of both the requiring





agency and GSA. To preclude an overlap of functions, the responsibilities of each participant in the procurement are clearly delineated with the requiring agency's functions listed in this § 1-4.1106-1. (The functions of GSA are listed in § 1-4.1106-2.) The requiring agency shall:

(a) Submit to GSA the documentation required by § 1-4.1105. The documentation shall include the agency's requirements, the system/item life, the technical specification, if applicable, and the justification to support negotiated procurement;

(b) Prepare the technical portion of the solicitation document and define any unique requirements;

(c) Provide necessary technical personnel (and contracting personnel if the agency desires) as members of the contract negotiating team;

(d) Prepare the selection plan and submit it to the GSA contracting officer before issuing the solicitation document;

(e) Evaluate proposals from a technical point of view and arrange for offerors' oral presentations, when appropriate;

(f) Provide copies of correspondence to the GSA contracting officer when the agency is authorized to communicate directly with offerors under the provisions of § 1-4.1106-2;

(g) Determine the technical capability of the items offered to meet the requiring agency's requirements, technical specifications, and systems or items life. This responsibility shall include the identification of those proposals that are technically acceptable and those proposals that are not technically acceptable/responsive. The results shall be transmitted to the GSA contracting officer to enable the contracting officer to take appropriate action with the offerors;

(h) Select the lowest overall cost item(s) and transmit this information with the necessary supporting documentation to the GSA contracting officer. If a conclusive judgment cannot be made on the basis of lowest overall cost, a findings and determination to this effect shall be prepared before any other factor is used as a basis for selection;

(i) Provide the following administrative information to the GSA contracting officer with the data required in paragraph (h) of this section:

(1) Finance data (e.g., paying office and fund citation);

(2) Contract distribution list and addresses; and

(3) Identity of assigned contracting officer within the requiring agency;

(j) Assist the GSA contracting officer in debriefing offerors when debriefings are requested by offerors;

(k) Place the delivery order, if applicable;

(l) Accomplish any other task not included above which will further the joint procurement objective or expedite completion of the procurement action at the agency's discretion and with GSA concurrence; and

(m) Administer the contract in accordance with the terms and conditions thereof.

#### § 1-4.1106-2 GSA responsibilities when GSA procures ADP items for another agency.

When conducting the procurement of ADP items for another agency in conjunction with the requiring agency's responsibilities in § 1-4.1106-1, above, GSA shall:

(a) Appoint the GSA contracting officer;

(b) Form the negotiating team which will be headed by the GSA contracting officer;

(c) Prepare and issue the solicitation document and all amendments thereto after concurrence of the requiring agency (the technical material shall be supplied in final form by the requiring agency);

(d) Prepare the procurement plan (which will be coordinated with the requiring agency), the findings and determination, and any contractual material needed for the selection plan;

(e) Act as the point of contact between offerors and the Government. In this respect, the GSA contracting officer will provide the requiring agency designated point of contact with a copy of all correspondence between the offerors and the Government. Correspondence going to offerors will be coordinated with the requiring agency. When appropriate, the GSA contracting officer may authorize direct communication between the offerors and the requiring agency on purely technical matters. In these instances, the requiring agency shall provide a copy of the correspondence to the GSA contracting officer;

(f) Receive proposals from the offerors;

(g) Provide copies of all proposals received from the offerors to the requiring agency;

(h) Review all offers from a contractual point of view;

(i) Provide personnel to be present at demonstrations to determine the technical capability of the items offered;

(j) Notify the offeror(s) concerned when a proposal is determined to be unacceptable;

(k) Conduct negotiations with all offerors whose proposals are within the competitive range, price and other factors considered (see § 1-3.805-1);

(l) Notify the offerors of the date and time that negotiations are to be terminated;

(m) Provide the requiring agency designated point of contact with both a report which summarizes the results of negotiations and copies of the proposed contract negotiated with each vendor for consideration in the agency evaluation and analysis;

(n) Brief the appropriate requiring agency personnel on the results of contract negotiations when requested;

(o) Award the contract after receiving notification of the requiring agency's selection;

(p) Debrief offerors with the assistance of requiring agency representatives when debriefings are requested by offerors; and

(q) Distribute the contract and forward all pertinent documents to the successor contracting officer appointed by the requiring agency.

#### § 1-4.1107 Federal agency responsibility when procurement authority is delegated by GSA.

When acting under a GSA delegation of procurement authority under either §§ 1-4.1104 or 1-4.1106, the agency conducting the procurement is responsible for compliance with applicable procurement policies, regulations, and, in particular, § 1-4.1109 and the specific terms of the delegation.

#### § 1-4.1108 Major system acquisition responsibilities.

(a) *Responsibilities of requiring agency.*

Before the contracting phases of a major system acquisition under OMB Circular A-109 procedures, the requiring agency shall:

(1) Advise GSA upon approval of the mission need statement (Key Decision I) by the agency head. The advice and assistance\* of GSA may be requested in performing the analysis, particularly in regard to contemporary experience which may be applicable to the agency mission need. Requests for assistance should be addressed to the Agency Planning Division (General Services Administration (CPS), Washington, DC 20405).

(2) Forward four copies of the major system procurement request to GSA (CPS). The request shall include

\*GSA is publishing a pamphlet containing a discussion of Major ADP/Telecommunications Acquisitions. A limited number of copies of this pamphlet can be obtained from General Services Administration (CPEP), Washington, DC 20405.





## APPENDIX H

### ADP AND TELECOMMUNICATIONS REQUIREMENTS CHECK LIST

Date of Request \_\_\_\_\_ Subject of Request \_\_\_\_\_

#### I. PRIVACY REQUIREMENTS

YES   NO   NOT APP.

- |  |     |     |     |
|--|-----|-----|-----|
| (1) Equipment or services identified by this request will be used to maintain System of Records, subject to the Privacy Act of 1974. | ( ) | ( ) |     |
| (2) A report of new systems has been submitted to the Congress and OMB on _____ as required by OMB Circular No. A-108.               | ( ) | ( ) | ( ) |
| (3) The notice requirements of the Privacy Act (5 USC 552a (a) (4) (D), (e) (11), and (f)) have been complied with.                  | ( ) | ( ) | ( ) |

#### II. FUNDING REQUIREMENTS

- |  |     |     |     |
|--|-----|-----|-----|
| (1) Funding in the amount of \$ _____ was ( ) explicitly/ ( ) implicitly included in the agency's FY _____ budget request and the proposed procurement is consistent with OMB budget guidance and policy directives. | ( ) | ( ) | ( ) |
|--|-----|-----|-----|

#### III. OTHER REQUIREMENTS

- |   |     |     |     |
|---|-----|-----|-----|
| (1) A feasibility study required by FMC 74-5 was completed on _____   | ( ) | ( ) | ( ) |
| (2) A system study has been conducted as required by GSA FPMR 101-32.11 for procurements which contain communications requirements. | ( ) | ( ) | ( ) |
| (3) The requirements of the ADP sharing program contained in FPMR 101-32.2 have been met.   | ( ) | ( ) | ( ) |

Documentation supporting the above certifications is retained in the agency's files.

\_\_\_\_\_  
SUBMITTING DEPARTMENT/AGENCY

\_\_\_\_\_  
CERTIFYING OFFICIAL

Item II(1) not applicable if procurement under \$50,000.

Item III(1) not applicable if procurement under \$100,000 or lease of \$2500/month.



APPENDIX I  
GSA FORM 2068

<b>REQUEST FOR ADP SERVICE</b>		<small>See instructions on the back. If additional space is required for any item, continue on the back</small>	1. DATE SUBMITTED <b>26 October 1978</b>
2. REQUESTING ORGANIZATION	Name and complete mailing address, including ZIP code <b>W. R. Church Computer Center Naval Postgraduate School Monterey, CA 93940</b>	3. CONTACT FOR TECHNICAL INFORMATION CONCERNING THIS REQUEST (Name and title) <b>Prof. Douglas G. Williams, Director</b>	
		TELEPHONE NUMBER: (408) 646-2572 <small>(Including area code):</small>	
4. LOCATION WHERE SERVICE IS REQUIRED	If different than above, give complete mailing address, including ZIP code	5. ESTIMATED VALUE <b>\$ see remarks</b>	
		6. INCLUSIVE DATES SERVICE WILL BE REQUIRED a. FROM <b>1 Oct 1979</b> b. TO <b>1 Sep 1989</b>	
7. MINIMUM EQUIPMENT CONFIGURATION (If the request is for ADP equipment time, fully describe the minimum required equipment configuration, including system make and model, main and mass storage requirements, terminals and other unique requirements.)			

See attached

8. OTHER REQUIREMENTS (Fully describe any specific requirements (other than equipment), such as type, skill level and number of personnel required, name and level of software required, e.g. data base management, transaction, monitor or operating systems, etc.)

See attached

9. DESCRIPTION OF SERVICE (Describe in full, including all mandatory requirements which apply. If computer time is requested, include the type of processing required, i.e., local batch, remote batch or interactive. Also, include type of application involved.)

See attached

If additional remarks are on the back, mark here ☒ and show number of pages attached, if any

10. AUTHORIZING OFFICIAL (Typed name and title) <b>SHIRLEY D. STRICKLAND Contracting Officer</b>	(Signature) 	(Telephone No., including area code) <b>2012 408-646-2128</b>
---	-----------------	--

**FOR EXCHANGE USE (See instructions on the back)**

11. ACTION TAKEN AND REASON(S)

Sharing of government resources is not a viable alternative due to the size of your requirement. You may, therefore, use this 2068 as certification that government shared resources are not available.

12. AUTHORIZED BY (Typed name and title)  <b>THOMAS D. PATHER, Acting Director Agency Services, Coordination Division, ADTS</b>	(Date signed) <b>Dec. 27, 1978</b>	13. GSA CONTROL NO. <b>R9-79-028</b>
---	---------------------------------------	---

GSA FORM 2068 (REV. 6-75)



## INSTRUCTIONS

**REQUESTING  
ORGANIZA-  
TION**

Complete items 1 through 10 and submit the form in duplicate to the appropriate Sharing Exchange (see FPMR 101-32.48).

Item 5 should indicate the level of funding approved, if available; otherwise, indicate best estimate of commercial cost for equivalent service.

**EXCHANGE**

Upon completion of the necessary action to satisfy the request in accordance with FPMR 101-32.2, indicate the action taken and the reason for the action, if appropriate. If a commercial source is authorized, include a statement that the GSA Form 2068 authorization constitutes a delegation of procurement authority but not authorization for sole source procurement.

The Exchange representative signs item 12 and returns a signed copy of the form to the requesting organization.

**GSA CONTROL  
NUMBER**

This number is assigned by the Exchange and must be used when completing GSA Form 2068-A, Quarterly Report of ADP Service Provided to Another Organization or Obtained from a Commercial Source, as required by FPMR 101-32.47.

ADDITIONAL REMARKS (Indicate item number(s) to which remarks apply)

Estimated value is unknown at this time

OCT 27 1978

(If additional space is required use plain sheets of paper)

USE WINDOW  
MAILING TO

FOR

General Services Administration, Region 9  
ADP Sharing Exchange  
Regional Interagency ADP Coordinator  
525 Market St.  
SAN FRANCISCO, CA 94105

▲ Include  
ZIP Code

GSA FORM 2068 BACK (REV. 6-75)



# APPENDIX J ADPSO CHECKLIST

## IV. CHECK OFF SHEET FOR ADPE PROCUREMENT

This check off sheet applies to the preparation of purchase requests for ADPE.

	<u>Provided</u>	<u>Not Required</u>
1. A statement that the requirement cannot be met satisfactorily by utilizing existing Federal resources through sharing or reutilization. (See FPMR Sub-part 101-32.2)	<u>          </u>	<u>          </u>
2. Copies of Request for and the DPA from GSA.	<u>          </u>	<u>          </u>
3. Copy of Navy ADP Approval per SECNAVINST 5236.1A and SECNAVNOTE 5230	<u>          </u>	<u>          </u>
4. Specifications		
a. Mandatory Requirements	<u>          </u>	<u>          </u>
b. Desirable Features and Their Dollar Value	<u>          </u>	<u>          </u>
c. Systems Life	<u>          </u>	<u>          </u>
d. Terms of Use of ADPE	<u>          </u>	<u>          </u>
e. Information on Existing ADPE Facility	<u>          </u>	<u>          </u>
f. Information on Site Visit	<u>          </u>	<u>          </u>
g. PPM	<u>          </u>	<u>          </u>
h. Type of Maintenance	<u>          </u>	<u>          </u>
i. Maintenance Response Time	<u>          </u>	<u>          </u>
j. Sole Source Justification (If Make or Model is Designated)	<u>          </u>	<u>          </u>
5. Delivery and Installation Schedule	<u>          </u>	<u>          </u>
6. Inspection and Acceptance		
a. Effectiveness Level	<u>          </u>	<u>          </u>
b. Period of Performance	<u>          </u>	<u>          </u>





	<u>Provided</u>	<u>Not Required</u>
7. Benchmark or Operational Capability Demonstration	_____	_____
8. Special Source Selection Considerations	_____	_____
9. Information on Availability of Purchase Funds	_____	_____
10. ADP Telecommunications Check List	_____	_____
11. Additional Requirements for Technical Proposal	_____	_____
12. Federal Information Processing Standards and Federal Telecommunications Standards Compliance Requirements (FPMR 101-36.2 and 3)	_____	_____

NOTE. All requisitions should indicate a point of contact identified by name and phone number



APPENDIX K

ADDRESSES OF GSA

REGIONAL INTERAGENCY ADP COORDINATORS AND ADP  
SHARING EXCHANGES

REGION 1, Boston

Regional Interagency ADP Coordinator  
General Services Administration  
Post Office and Courthouse Building  
Boston, MA 02109  
Phone 617-223-2663

REGION 2, New York

Regional Interagency ADP Coordinator  
General Services Administration  
30 Church Street  
New York, NY 10007  
Phone 212-264-8349

Manager, Philadelphia ADP Sharing Exchange (2015/00)  
Veterans Administration  
Box 8079  
Philadelphia, PA 19101  
Phone 215-438-5629

REGION 3, Washington, D.C.

Federal ADP Resources Staff  
Automated Data Management Services Division  
GSA Region 3 - Room 6022  
7th and D Streets, S.W.  
Washington, D.C. 20407  
Phone 202-963-4900

Manager, Tidewater ADP Sharing Exchange  
Hq Fifth Naval District  
Norfolk, VA 23511  
Phone 703-444-7557



#### REGION 4, Atlanta

Regional Interagency ADP Coordinator  
General Services Administration  
1776 Peachtree Street, N.W.  
Atlanta, GA 30309  
Phone 404-526-5772

Manager, Mississippi, Alabama, and Slidell Louisiana ADP  
Sharing Exchange  
National Aeronautics and Space Administration  
Computation Laboratory (R-COMP-MR)  
George C. Marshall Space Flight Center  
Huntsville, Alabama 35812  
Phone 205-876-4840

#### REGION 5, Chicago

Regional Interagency ADP Coordinator  
General Services Administration  
U.S. Courthouse & Federal Building  
219 South Dearborn Street  
Chicago, IL 60604  
Phone 312-353-5406

#### REGION 6, Kansas City, Missouri

Regional Interagency ADP Coordinator  
General Services Administration  
Federal Building  
1500 East Bannister Road  
Kansas City, MI 64131  
Phone 816-361-7540

Manager, St Louis ADP Sharing Exchange  
General Services Administration  
1640 Federal Office Building  
1520 Market Street  
St. Louis, MI 63103  
Phone 314-622-4570

#### REGION 7, Fort Worth

Regional Interagency ADP Coordinator  
General Services Administration  
819 Taylor Street  
Fort Worth, TX 76102  
Phone 817-334-2516



Manager, South Texas ADP Sharing Exchange  
National Aeronautics and Space Administration  
Manned Spacecraft Center  
Houston, TX 77058  
Phone 713-483-4688

REGION 8, Denver

Regional Interagency ADP Coordinator  
General Services Administration  
Building 41, Denver Federal Center  
Denver, CO 80225  
Phone \*\*\*-233-8495

REGION 9, San Francisco

Regional Interagency ADP Coordinator  
General Services Administration  
29 Fourth Street  
San Francisco, CA 94103  
Phone \*\*\*\*\*

Manager, Hawaii ADP Sharing Exchange  
General Services Administration  
Hickam Air Force Base, HI 96824  
Phone 808-443-95\*\*

REGION 10, Auburn

Regional Interagency ADP Coordinator  
General Services Administration  
Regional Headquarters Building  
Auburn, WA 98002  
Phone 206-833-5281

Manager, Oregon ADP Sharing Exchange  
Bonneville Power Administration  
P.O. Box 3621  
Portland, OR 97208





## LIST OF REFERENCES

1. Argue, A.C., "Acquisition of Automatic Data Processing in the Navy", M.S. Thesis, Naval Postgraduate School, Monterey, California, March 1979.
2. Federal Acquisition Institute, Office of Federal Procurement Policy, Implementing OMB Circular A-109 Major Systems Acquisition, Five Day Seminar, ADP Application, September 1980.



## BIBLIOGRAPHY

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Department of Defense, Major Systems Acquisitions, DOD Directive 5000.1, 19 March 1980.

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Department of the Navy, Officer of the Secretary, Automatic Processing Approval Authority and Acquisition/Development Thresholds; Delegation of, SECNAVINST 5230.6, 2 Nov 1979.

Department of the Navy, Office of the Secretary, Contracting for Automatic Data Processing (ADP) Resources, SECNAVINST 5236.1B, 15 Oct 1980.

Department of the Navy Office of the Secretary, Contracting for Automatic Data Processing Services Contracts, SECNAVINST 5236.2A, 7 Jul 1980.

Department of the Navy, Office of the Secretary, Government-Wide Automatic Data Processing Sharing Program, SECNAVINST 10462.16A, 5 December 1969.

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General Services Administration, 41CFR Part 1-4 (FPR Amendment 211) Automatic Data Processing Contracting; Special Types and Methods of Procurement. (Note: was published FR-Vol 46 No. 2, Monday, 5 Jan 1981.



Naval Material Command, ADP Contracting Management for  
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Utilization of Automatic Data Processing Equipment by  
Federal Departments and Agencies, Pub.L. 89-306, 89th Cong.,  
2nd Sess., 1965, HR 4845.

U.S. Department of Labor, Office of the Assistance Secretary  
for Administration and Management, COTR Handbook, Elements  
of Contract Administration, May 1979.



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Stockton, California 95203
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Washington, D.C. 20390
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Lemoore, California 93245
15. LCDR Roderick Robertson 1  
Navy Finance Center  
Anthony J. Celebrezze Federal Building  
Cleveland, Ohio 44199







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